



IN THE NATIONAL COMPANY LAW TRIBUNAL

KOCHI BENCH

IA (IBC)(Plan)/06/KOB/2025

IN

CP (IB)/22/KOB/2024

*(Under Section 30(6) & 60(5)(c) of IBC,
2016, read with Rule 11 of NCLT Rules,
2016)*

Date of institution: 25.09.2025

Order delivered on:25.06.2026

In the matter of:-

M/s. Attukal Devi Institute of Medical
Sciences Limited.

Memo of parties:

CA Rajmohan. R

Resolution Professional

M/s. Attukal Devi Institute of Medical
Sciences Limited.

... Applicant

Coram:

HON'BLE MEMBER (JUDICIAL) : SHRI. VINAY GOEL

HON'BLE MEMBER (TECHNICAL) : SHRI. RAVICHANDRAN RAMASAMY

Appearances:

For the Applicant : Mr. A C Venugopal, Advocate
Mr. Rajmohan R, RP



ORDER

PER CORAM

1. The present application IA (IBC)(Plan)/06/KOB/2025 has been filed by CA Rajmohan. R, Resolution Professional of M/s. Attukal Devi Institute of Medical Sciences Limited under Section 30(6) & 60(5)(c) of Insolvency and Bankruptcy Code, 2016, read with Rule 11 of NCLT Rules, 2016, for approval of the Resolution Plan submitted by **Dr M. Ayyappan**, Successful Resolution Applicant.

2. ABOUT THE CORPORATE DEBTOR

Attukal Devi Institute of Medical Sciences Limited (hereinafter referred to as the Corporate Debtor/ the Company), incorporated in 2007 in Thiruvananthapuram by senior healthcare professionals, operates the NABH-accredited Attukal Devi Hospital, a 50-bed multi-speciality tertiary care facility established in 2008. Guided by the motto *Quality Treatment at Affordable Rates* and the Rigvedic principle *Bahujana Sukhaya*, the hospital provides accessible, patient-centric care and is strategically located near the Attukal Devi Temple, offering excellent regional connectivity. The 33,000 sq. ft. facility comprises well-appointed patient rooms, three modern operation theatres, MICU, NICU, and SICU units, a 24×7 emergency department, NABL-compliant laboratory, digital imaging centre, in-house pharmacy, sports medicine department, centralised gas supply, ambulance services, and uninterrupted power and water backup. The Corporate Debtor enjoys strong community goodwill and was awarded NABH accreditation in 2017. The hospital premises are leased from the Attukal Bhagavathy Temple Trust; although the lease has expired, the Corporate



Debtor continues as a statutory tenant under the Kerala Rent Control Act. A related tenancy dispute is pending before the Rent Control Court but remains stayed due to the moratorium imposed under Section 14 of the Insolvency and Bankruptcy Code, 2016.

CIRP OF THE CORPORATE DEBTOR

3. The Corporate Debtor is presently undergoing the Corporate Insolvency Resolution Process in accordance with the provisions of the Insolvency and Bankruptcy Code, 2016. An application bearing CP(IBC)/22/KOB/2024 was filed by Dr Ayyappan Nair Raghavan Pillai, a Financial Creditor and a shareholder of the Corporate Debtor, under Section 7 of the Code seeking initiation of Corporate Insolvency Resolution Process against the Corporate Debtor.
4. This Adjudicating Authority vide order dated 27.09.2024 admitted the said application, thereby commencing the Corporate Insolvency Resolution Process in respect of the Corporate Debtor. By the same order, CA Rajmohan R, bearing IBBI Registration No.: IBBI/IPA-001/IP-P-02331/2020-2021/13517 was appointed as the Interim Resolution Professional. Subsequently, in the 2nd Meeting of the Committee of Creditors of the Corporate Debtor held on 25.11.2024, CA Rajmohan R was confirmed as the Resolution Professional to continue managing the affairs of the Corporate Debtor during the Corporate Insolvency Resolution Process.
5. **The key dates and events during the CIRP period are tabulated hereunder:**

S.No.	Date	Event Description
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1	27.09.2024	Admission of CIRP under Section 7 of IBC by NCLT
2	29.09.2024	Public Announcement Form A, inviting claims
3	27.11.2024	1 st Paper Publication in Form G, inviting EOI
4	06.03.2025	2 nd Paper Publication in Form G, inviting EOI
5	11.08.2025	Resolution Professional informed the Committee of Creditors that he has received four resolution plans in response to 2nd Form G, which were placed for consideration by the CoC.
6	16.08.2025	Last date for submitting the revised plan as per the decision of CoC
7	23.08.2025	In the 13 th CoC meeting, all the Prospective Resolution Applicants were invited to present their resolution plan
8	02.09.2025	In the 14 th CoC meeting, it was decided to provide one more opportunity to all four PRAs to present their resolution plans with greater clarity.
9	15.09.2025	The Resolution Plan submitted by Mr Dr. M Ayyappan was approved with 100% voting in favour in the 16 th meeting of the CoC.

6. The Applicant issued the mandatory public announcement on 29.09.2024



in The New Indian Express (English) and Malayala Manorama (Malayalam) as required under Regulation 6(1) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016. On 30.09.2024, the Applicant took possession of the Registered and Principal Office of the Corporate Debtor in Thiruvananthapuram and convened the pre-scheduled Annual General Meeting solely for the adoption of audited financials and reappointment of auditors, withholding all other agenda items due to the initiation of the Corporate Insolvency Resolution Process.

7. During this period, Mr. Jayakumar M, one of the suspended directors, challenged the admission order before the Hon'ble High Court of Kerala in WP(C) No. 34536/2024, which was heard on 09.10.2024 and dismissed on 16.10.2024.
8. The Applicant verified and collated all claims received pursuant to the public announcement and accordingly constituted the Committee of Creditors, filing a report certifying the list of creditors and the constitution of the Committee of Creditors in IA(IBC)458/KOB/2024, which was taken on record by this Adjudicating Authority on 24.10.2024. Subsequently, notice for the 1st Committee of Creditors meeting was issued on 22.10.2024 for the meeting scheduled on 27.10.2024; however, after issuance of the notice, a fresh claim was received on 25.10.2024 from Dhanlaxmi Bank Ltd., a secured financial creditor, and another claimant revised their claim from Form-F to Form-B seeking reclassification from "other creditor" to "operational creditor."
9. The 1st Committee of Creditors meeting was held on 27.10.2024. At that time, the Committee of Creditors consisted of only one financial creditor,



who was a related party, a suspended director and therefore was not entitled to vote. Since no unrelated financial creditor was part of the Committee of Creditors as on 20.10.2024, and the claim of Dhanlaxmi Bank Ltd. was received only afterwards, no voting could take place. Part-B agenda items were consequently deferred to the next meeting, and the Interim Resolution Professional informed members that a preliminary report would be submitted to this Adjudicating Authority. After the receipt of Dhanlaxmi Bank Ltd.'s claim, the Committee of Creditors was reconstituted on 01.11.2024.

10. The Applicant submitted the updated list of creditors and the reconstituted Committee of Creditors. The Committee of Creditors unanimously resolved to appoint the Applicant as the Resolution Professional and approved the issuance of Form G.
11. On 07.03.2025, the Resolution Professional became aware of an attachment order obtained by the landlord, the operational creditor, Attukal Bhagavathy Temple Trust, during the moratorium, resulting in freezing of the Corporate Debtor's bank accounts. The Resolution Professional approached the Principal Sub Court, Trivandrum, by filing EA No. 259/2025, which was dismissed on 04.06.2025, prompting further litigation before the Hon'ble High Court of Kerala.
12. The Applicant issued the second Form G after no resolution plans were received from the first round. In the 5th Committee of Creditors meeting held on 28.02.2025, the Resolution Professional sought additional time for the issuance of the second Form G, which was approved by the Committee of Creditors. Eight Expression of Interests were received pursuant to the



second Form G.

13. The Resolution Professional approached the Hon'ble High Court of Kerala through OP(C) No. 1060/2025 regarding the attachment order, which was partly allowed. Thereafter, the landlord, being an Operational Creditor, filed IA(IBC)/217/KOB/2025 seeking exclusion of its property from the ambit of the Corporate Insolvency Resolution Process and recovery of possession thereof. The said application came to be disposed of vide order dated 25.05.2026.
14. The Resolution Professional thereafter issued the Request for Resolution Plan and Information Memorandum to the eligible Prospective Resolution Applicants, after verifying their eligibility under Section 29A of the Code. Ultimately, four resolution plans were received.
15. In the 11th Committee of Creditors Meeting held on 11.08.2025, the Resolution Professional informed the Committee of Creditors that four resolution plans had been received pursuant to the 2nd Form G and the same were placed before the Committee of Creditors for consideration. The plans were opened and briefly discussed. It was also informed that one of the Prospective Resolution Applicant, Mr. P. Kuttykrishnan, had not remitted the Earnest Money Deposit, and the Committee of Creditors granted him time till 13.08.2025 for payment of the same. The Committee of Creditors further decided to allow a one-time amendment opportunity to all Prospective Resolution Applicants under the Insolvency and Bankruptcy Code, 2016, and fixed 16.08.2025 as the last date for submission of revised plans.
16. In the 12th Committee of Creditors Meeting held on 20.08.2025, the



Resolution Professional informed the Committee of Creditors that four revised Resolution Plans had been received pursuant to the one-time revision permitted under the applicable regulations. The Prospective Resolution Applicants enhanced their respective Resolution Plans by proposing additional capital infusion towards working capital requirements, infrastructure development, modernisation, medical equipment, operational revival, and settlement of creditors. It was further informed that all the Prospective Resolution Applicants had deposited the Earnest Money Deposit in accordance with the Request for Resolution Plan and that the Resolution Plans, along with the addendums, Evaluation Matrix, and evaluation notes, had been shared with Dhanlaxmi Bank Ltd., the sole Financial Creditor holding 100% voting rights in the Committee of Creditors. The Dhanlaxmi Bank members requested that each Prospective Resolution Applicant make a personal presentation of their Resolution Plans. Since the Corporate Insolvency Resolution Process period was due to expire on 23.08.2025 and the application seeking extension of the Corporate Insolvency Resolution Process period was pending before this Adjudicating Authority, consideration and approval of the Resolution Plans were deferred to the next Committee of Creditors meeting.

17. The 13th Committee of Creditors Meeting was held on 23.08.2025, wherein three out of four Prospective Resolution Applicants presented their Resolution Plans before the Committee of Creditors. During the presentation of Dr. Ayyappan Nair Ragavan Pillai's revised Resolution Plan, clarification was provided that the liabilities towards unsecured financial creditors would be settled through infusion of funds by the Resolution Applicant and Co-Investor, and the same was treated by the Committee of



Creditors as a clarification and not as an amendment to the Resolution Plan. Accordingly, the Evaluation Matrix was revised.

18. The 14th Committee of Creditors Meeting was held on 02.09.2025, wherein the Resolution Professional informed the Committee of Creditors that additional clarifications had been received from two Prospective Resolution Applicants, namely Mrs. Vijayalakshmi and Mr. M. Ayyappan, and the same were forwarded to Dhanlaxmi Bank Ltd., the sole Financial Creditor holding 100% voting share in the Committee of Creditors. The Financial Creditor decided to provide one further opportunity to all four Prospective Resolution Applicants to present their Resolution Plans with greater clarity and a more precise action plan. The Resolution Professional clarified that only presentations and clarifications would be permitted, and no further amendments to the Resolution Plans would be allowed.

19. The 15th Committee of Creditors Meeting was held on 12.09.2025, wherein two Prospective Resolution Applicants presented their respective Resolution Plans along with further clarifications before the Committee of Creditors. During the presentation, Dr. M. Ayyappan proposed an enhanced contribution towards Attukal Bhagavathy Temple Trust in addition to the amount already proposed in the original plan. The Resolution Professional clarified that no further amendments to the revised Resolution Plans were permissible under the applicable Regulations and that only clarifications regarding feasibility and viability could be considered by the Committee of Creditors. Dhanlaxmi Bank Ltd., the sole Financial Creditor with voting rights, requested the Resolution Professional to circulate the voting sheet for approval of the Resolution Plan and further directed that the next



Committee of Creditors meeting be convened on 15.09.2025.

20. The 16th Committee of Creditors Meeting was held on 15.09.2025 at 5.30 PM, wherein Dhanlaxmi Bank Ltd., the sole Financial Creditor holding 100% voting rights in the Committee of Creditors, approved the Resolution Plan submitted by Dr. M. Ayyappan and rejected the other three Resolution Plans. Objections were raised by the Authorised Representative of Dr. Ayyappan Nair Raghavan Pillai regarding the evaluation process, alleging a lack of transparency, arbitrariness, and failure to ensure value maximisation. The Resolution Professional clarified that Dhanlaxmi Bank had approved the Resolution Plan of Dr. M. Ayyappan based on factors including his proven track record, strong financial backing, support from suspended directors, proposed resolution of the land dispute with the Temple Management, and the future profitability and growth potential of the Corporate Debtor. The Resolution Professional further informed the Committee of Creditors that the approved Resolution Plan would be placed before this Adjudicating Authority under Section 30(6) of the Insolvency and Bankruptcy Code, 2016. The objections submitted by the unsuccessful Prospective Resolution Applicant were forwarded to Dhanlaxmi Bank, and clarification was received from Dhanlaxmi Bank vide email dated 18.09.2025. Further clarification was also sought from the Successful Resolution Applicant regarding payment proposed to Attukal Bhagavathy Temple Trust, to which the Successful Resolution Applicant clarified that the payment constituted an unconditional commitment against the admitted claim of the operational creditor.

21. The 17th Committee of Creditors Meeting was held on 22.09.2025, wherein



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the Committee of Creditors approved reimbursement of pending CIRP costs and operational liabilities incurred for running the Corporate Debtor as a going concern, amounting to Rs.99,90,890/-, and directed the Successful Resolution Applicant to make provision for the same in the Resolution Plan. The Committee of Creditors also recommended constitution of a Monitoring Committee comprising the Resolution Professional, Mr. Jayakumar Muraleedharan Nair, and the Authorized Representative of Dhanlaxmi Bank Ltd. to oversee implementation of the approved Resolution Plan. It was further recorded that Dhanlaxmi Bank Ltd., the sole Financial Creditor holding 100% voting rights, had exercised its commercial wisdom in approving the Resolution Plan submitted by Dr. M. Ayyappan in the 16th Committee of Creditors Meeting held on 15.09.2025.

22. TOTAL CIRP EXTENSIONS

Extension	IA no.	Date from	Date to	Remark
1.	IA(IBC)/101/KOB/2025	27.03.2025	24.06.2025	60 days
2.	IA(IBC)/236/KOB/2025	25.06.2025	23.08.2025	60 days
3.	IA(IBC)/331/KOB/2025	24.08.2025	07.09.2025	15 days
4.	IA(IBC)/347/KOB/2025	08.09.2025	25.09.2025	15 days
Total Days Extended				150 days

23. BRIEF OUTLINE OF THE RESOLUTION PLAN OF THE SRA:

a) The Resolution Plan aims to revive the Corporate Debtor as a going



concern through induction of new management, operational restructuring, infusion of fresh capital, continuation of healthcare services, protection of employment, and maximization of value for stakeholders.

- b) The Plan provides for full payment of CIRP costs and full settlement of the admitted dues of Dhanlaxmi Bank Ltd., the sole secured financial creditor, within the timeline prescribed under the Plan.
- c) The Resolution Applicant has also proposed settlement of operational creditors, continuation of the hospital premises through renewal of lease with Attukal Bhagavathy Temple Trust, and provision for statutory dues, including Employees Provident Fund liabilities, subject to crystallisation of claims.
- d) No payment is proposed to the unsecured financial creditor, preference shareholders, or equity shareholders, considering the financial position and liquidation value of the Corporate Debtor.
- e) The Resolution Applicant has committed infusion of equity and such additional funds as may be necessary for the successful implementation of the Resolution Plan and long-term sustainability of the Corporate Debtor.
- f) The Resolution Plan has been formulated in compliance with the provisions of the Insolvency and Bankruptcy Code, 2016, CIRP Regulations, and other applicable laws, while balancing the interests of all stakeholders and addressing pending disputes and claims in terms of Section 31 of the Code.

24. DETAILS OF THE SUCCESSFUL RESOLUTION APPLICANT

- a) The Successful Resolution Applicant, Dr. M. Ayyappan, is alleging himself as a professional and business leader with more than four decades of



experience in public sector management, healthcare, infrastructure, manufacturing, and technology-driven enterprises.

- b) It is submitted that Dr. M. Ayyappan served as the Chairman & Managing Director of HLL Lifecare Limited and led the transformation of the company from a single-product public sector undertaking with a turnover of Rs. 141 crores into a diversified global healthcare enterprise with operations in more than 115 countries and a turnover exceeding Rs. 1,600 crores.
- c) It is claimed that during his tenure at HLL Lifecare Limited, the company diversified into hospital infrastructure, diagnostic services, retail pharmacies, contraceptives, sanitary protection products, vaccines, pharmaceuticals, and public health initiatives, besides establishing a research and development centre in reproductive and public health.
- d) It is further stated that his tenure was marked by the launch and expansion of institutions and subsidiaries, including LifeSpring Hospitals Ltd., HLL Biotech Ltd., HITES – HLL Infra Tech Services Ltd., HLL Management Academy, Goa Antibiotics & Pharmaceuticals Ltd., and HLPPT.
- e) It is alleged that Dr. M. Ayyappan possesses experience in board governance, institutional building, strategic growth, diversification, innovation management, marketing and brand strategy, crisis leadership, and operational management.
- f) It is further submitted in the plan that following his tenure at HLL Lifecare Limited, Dr. M. Ayyappan founded and presently chairs the AS Group of Companies engaged in healthcare services, artificial intelligence research, infrastructure solutions, management consulting, and digital technology services through entities including Siva Medical Services, DCube AI



Research & Development Pvt. Ltd., Green Readymade Steel Products India Pvt. Ltd., Good2Great Management Services Pvt. Ltd., and Mirandus Technology Solutions Pvt. Ltd.

- g) It is also claimed that Dr. M. Ayyappan is also Director of Adtech Systems Limited and has served in various governance and advisory positions including Chairman of HLL subsidiaries and joint ventures, Director of Rehabilitation Plantations Ltd., Vice Chairman of Centre for Management Development, Government of Kerala, member of governing boards of SCTIMST and College of Engineering Thalassery, AICTE Representative in the Governing Body of CET, Fellow of All India Management Association, and Past President of Trivandrum Management Association.
- h) It is further submitted that Dr. M. Ayyappan holds a Doctorate in Management (Social Marketing) from the University of Kerala, an MBA from Cochin University of Science & Technology, and a B.Sc. in Mechanical Engineering from the College of Engineering, Trivandrum.
- i) Further, it was stated that Dr. M. Ayyappan has been recognised for his contributions in public sector transformation, healthcare innovation, institution building, and organisational revival, and has expressed commitment towards the revival of Attukal Devi Institute of Medical Sciences Limited as a going concern.

25. DELIBERATION OF THE COC ON THE FEASIBILITY OF THE PLAN

The Resolution Plan was discussed and approved by the Committee of Creditors with 100% voting power in the 16th Committee of Creditors meeting held on 15.09.2025. The Resolution passed in the 16th Committee of Creditors is extracted herein:



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APPROVAL OF RESOLUTION PLAN IF DECIDED BY FC (TO BE VOTED)

The DLB with 100% voting power in the CoC has approved the resolution plan submitted by Dr. M. Ayyappan.

"RESOLVED THAT, pursuant to the provisions of Section 30(4) of the Insolvency and Bankruptcy Code, 2016, and after due consideration of the feasibility, viability, and distribution mechanism proposed in the resolution plan, and having satisfied that the plan complies with all mandatory requirements under the Code and the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, the Committee of Creditors hereby approves the resolution plan submitted by DR. M. AYYAPPAN, with 100% of the voting share of the financial creditors."

"FURTHER RESOLVED THAT, the Resolution Professional is authorized to submit the approved resolution plan to the Adjudicating Authority (NCLT) in accordance with Section 30(6) of the Insolvency and Bankruptcy Code, 2016."

26. FINANCIAL PROPOSAL UNDER THE RESOLUTION PLAN IS TABULATED

BELOW:

	Name of the Creditor	Category	Total Claim Admitted	% of Claim	Amount proposed to be paid as per the Resolution Plan
1	EMD or Bank Guarantee	Deposit			10,00,000
2	Resolution Professional	CIRP Cost	6,00,000	100%	6,00,000
3	Dhanlaxmi Bank Ltd	Secured Financial Creditor	5,60,169	100%	5,60,169
4	Dr Ayyappan Nair Raghavan Pillai	Unsecured Financial Creditor	2,87,76,325	0	0
5	Dr Ayyappa Nair Raghavan Pillai	Operational Creditor	25,23,543	0	
6	Attukal Bhagavathy Temple Trust	Operational Creditor	7,95,79,475	6.2%	50,00,000
7	Other Operational Creditors	Operational Creditor			78,39,831
8	Employee Provident Fund	This amount is payable contingent upon an adverse outcome from the court.			1,36,07,838
	Total Claim		11,20,39,512		2,86,07,838



1) Payment of CIRP Costs: -

The Resolution Plan provides for upfront payment in full of the Corporate Insolvency Resolution Process (CIRP) Costs, estimated at Rs. 6,00,000/-, in priority to all other payments, in compliance with Section 30(2)(a) of the Insolvency and Bankruptcy Code, 2016.

2) Payment to Financial Creditors: -

Upon approval of this Resolution Plan by this Adjudicating Authority and receipt of payment in full towards its admitted dues, Dhanlaxmi Bank Limited shall release the hypothecation over the vehicle against which the advance was provided to the Corporate Debtor, and any claim not filed, not admitted, or not disclosed to the Resolution Applicant prior to approval of the Plan shall stand fully and finally extinguished and shall not be enforceable against the Corporate Debtor, the Resolution Applicant, or their assets in future.

3) Payment to Employees: -

No claim has been submitted from the employees' side.

4) Payment to Existing Shareholders of Promoter/Promoter Group: -

In view of the inadequate liquidation value of the Corporate Debtor, no payment is proposed under the Resolution Plan to the existing promoters, shareholders, associated companies/concerns, related parties of the Corporate Debtor, or any person falling within the related-party ambit under the Code, and upon receipt of payments in accordance with the Plan, the Secured and Unsecured Committee of Creditors members shall issue full and final discharge and no-claims certificates and return all security-related documents duly released



from encumbrances to the Corporate Debtor and/or the Resolution Applicant.

5) All Other Liabilities and Debt

Upon approval of the Resolution Plan, the Resolution Applicant shall have no liability towards any Financial Creditors, Operational Creditors, Governmental Authorities, Semi-Government Authorities, or any other creditors in respect of any actual, accrued, unmatured, contingent, disputed, or undisputed claims relating to the period prior to the Effective Date.

27. REVIVAL PLAN & RATIONALE:

- i. The Resolution Applicant proposes to revive the Corporate Debtor as a going concern by ensuring settlement of CIRP costs in full, full and timely payment to the Secured Financial Creditor, and targeted payments to critical Operational Creditors including Attukal Bhagavathy Temple Trust, in compliance with Section 30(2)(b) of the Insolvency and Bankruptcy Code, 2016, with the objective of ensuring business continuity, restoration of the hospital's operations, and maximisation of stakeholder value.

28. FEASIBILITY AND VIABILITY OF THE PLAN

- i. The Resolution Plan has been formulated in compliance with the provisions of the Insolvency and Bankruptcy Code, 2016 and the regulations framed thereunder, and provides payment schedule to the Secured Financial Creditor in accordance with the statutory priority of payments prescribed under the Code.



- ii. The Resolution Plan further provides an implementation framework capable of being fully implemented within six months from the Effective Date, and it is anticipated that all necessary statutory, regulatory, and contractual approvals shall be granted in view of the binding effect of the approval order passed by this Adjudicating Authority under Section 31 of the Insolvency and Bankruptcy Code, 2016.

29. CONSTITUTION OF MONITORING COMMITTEE

- i. The Resolution Plan provides for the constitution of a Monitoring Committee within seven business days from the Effective Date for overseeing and ensuring effective implementation of the Resolution Plan.
- ii. The Monitoring Committee shall comprise
 - a) One representative nominated by the Resolution Applicant.
 - b) Such other members as may be nominated by the Committee of Creditors.
 - c) Representatives of key stakeholders relevant to the operations of the Corporate Debtor.
- iii. The Monitoring Committee shall
 - Oversee the day-to-day progress of the Resolution Plan's implementation;
 - Ensure that all payments, actions, and restructuring steps under this Plan are completed within the prescribed timelines;
 - Facilitate coordination between the Resolution Applicant, creditors, and other stakeholders for smooth execution;
 - Resolve operational issues arising during the implementation



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period, within the framework of the approved Plan.

30. THE INDICATIVE TIMELINE FOR IMPLEMENTATION:

Stage	Action Item	Responsibility	Timeli ne (from effecti ve date)	Remarks
On submiss ion of Resoluti on Plan	Bank Guarantee of ₹10,00,000.00 will be provided or EMD of ₹. 10,00,000.00 will be transferred	Resolution Applicant	On date of submission / or such other date	Payment to be processed after the submission of Resolution Plan.
T0	Approval of Resolution Plan by NCLT	NCLT	Day 0	Effective Date as per IBC Section 31(1)
T0 + 7 Days	Execution of necessary agreements, escrow setup	Resolution Applicant (RA) + RP/CoC	Within 7 days	Transfer framework, payment terms, etc.
T0 + 7 Days	Formation of Monitoring Committee	Resolutio n Professio nal or Resolutio n Applicant	Within 7 days	As per regulations
T0 + 15 Days	Transfer of first installment as per Plan	RA	Within 15 days	Subject to no stay from appellate courts
T0 + 15 Days	Assumption of control & management by RA	RA	Same day as first installment	As per approved Plan and NCLT order



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T0 + 30 Days	Legal compliances for transfer of ownership (licenses, land lease, etc.)	RA Legal Advisors	Within 30 days	E.g., local health authority, fire NOC, lease registration
T0 + 45 Days	Review & renewal of statutory approvals: - Clinical Establishment License	RA Compliance & Operations Team	30-45 days	As per applicable State/Central regulations
	- Pollution Control			
	- Biomedical Waste			
	- Fire Safety			
	- Pharmacy / Blood Bank Licenses			
Assessment of medical equipment (functionality, obsolescence)	Biomedical/ Technical Team	Within 45 days	Prepare upgrade or replaceme nt plan	
Second instalment(s) as per resolution plan	RA	Per payment schedule	Subject to compliance with Plan milestones	
T0 + 60 Days	Revamp of HR structure and hospital staff:	RA HR & Ops Team	30-60 days	Restructuring critical for operational turnaround
	- Recruit key doctors/admin staff			
	- Performance review of existing team			
	- Appoint CEO/COO			



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T0 + 60–75 Days	Procurement & Installation of new equipment (if any)	RA Procurement Team	As needed	Based on technical report and budget
T0 + 75 Days	Third instalment(s) as per resolution plan	RA	Per payment schedule	Subject to compliance with Plan milestones
T0 + 105 Days	Final instalment(s) as per resolution plan	RA	Per payment schedule	Subject to compliance with Plan milestones
T0 + 90–120 Days	Implementation of SOPs, MIS systems, governance	RA Management	3–4 months	Clinical governance & financial controls
T0 + 120 Days	Monitoring Report to NCLT/CoC (under Regulation 39 of CIRP Regulations)	Monitoring Committee	Quarterly	As per IBC compliance
T0 + 180 Days	Full implementation & stabilization review	RA + Monitoring Committee	6 months	Revived hospital functioning under new management

31. ELIGIBILITY UNDER SECTION 29A OF THE CODE

The Resolution Applicant has confirmed that, as on the date of submission of the Resolution Plan, the Resolution Applicant is eligible under Section 29A of the Insolvency and Bankruptcy Code, 2016, to submit the Resolution Plan.



32. **MANAGEMENT OF CORPORATE DEBTOR AFTER RESOLUTION**

- i. Upon the Effective Date and pursuant to the terms of this Resolution Plan and the order of this Adjudicating Authority, the Resolution Applicant shall assume complete ownership, control, and management of Attukal Devi Institute of Medical Sciences Limited (ADIMS).
- ii. The Resolution Applicant, together with its nominees, shall hold 100% of the restructured share capital of ADIMS in accordance with Chapter IX of this Resolution Plan.
- iii. Upon infusion of the upfront equity, the Resolution Applicant shall take over and continue the business operations of ADIMS through the new management team appointed by it.
- iv. The Board of Directors of ADIMS shall be fully reconstituted within 30 days from the Effective Date.
- v. All existing directors, including independent directors, shall resign from the Board with effect from the Effective Date unless specifically reappointed by the Resolution Applicant.
- vi. The Resolution Applicant shall appoint new directors possessing professional competence, sectoral expertise, and turnaround management experience to ensure effective governance and achievement of strategic and operational objectives.
- vii. The appointment of such directors shall be valid and binding without requiring any further shareholder approval by virtue of the sanction of this Resolution Plan by this Adjudicating Authority.



- viii. Entire management control of the Company shall vest exclusively with the Resolution Applicant, and the day-to-day affairs of the Company shall be managed by a core operating team constituted by the Resolution Applicant under the supervision of the reconstituted Board.
- ix. The Resolution Applicant shall have the authority to induct additional personnel and human resources as may be required for efficient operations and implementation of the revival strategy.
- x. Any change in the composition of the management or Board shall not affect the validity, enforceability, or continuity of any existing agreement, lease deed, contract, licence, or arrangement executed by ADIMS, except to the extent modified under this Resolution Plan.
- xi. The Resolution Applicant shall appoint statutory auditors and internal auditors of its choice in compliance with applicable laws for ensuring proper governance and financial oversight.
- xii. While the Committee of Creditors may monitor the implementation of the Resolution Plan, all operational decision-making powers and strategic management functions shall vest solely with the Resolution Applicant and the reconstituted Board.

SOURCES OF FUNDS

- 33. The Resolution Applicant proposes to implement the Resolution Plan through funds raised primarily by availing bank loan facilities against the pledge of personal assets and has demonstrated financial capacity by disclosing a personal net worth of Rs. 7.34 Crores comprising immovable



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assets, movable assets, and financial assets, with the proposed resolution amount to be infused within a period of four months.

34. Further, the Resolution Professional has annexed to the application proof of the payment made by the Successful Resolution Applicant towards the Performance Bank Guarantee on 11.08.2025 for an amount of Rs. 10,00,000/-.
35. The Committee of Creditors, in its 16th meeting held on 15.09.2025, having approved the Resolution Plan submitted by Dr. M. Ayyappan with 100% voting share through the sole Financial Creditor, Dhanlaxmi Bank, has authorised the Resolution Professional to approach this Adjudicating Authority under Regulation 39(4) of the CIRP Regulations read with Section 30(6) of the Insolvency and Bankruptcy Code, 2016 for approval of the Resolution Plan, stating that the said Resolution Plan satisfies the commercial wisdom of the Committee of Creditors, complies with the provisions of the Insolvency and Bankruptcy Code, 2016 and the Rules and Regulations framed thereunder, and does not contravene any provision of law.
36. The Resolution Professional has also submitted Form H under the CIRP Regulations, as Annexure XXVIII, which is reproduced below:



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FORM H
COMPLIANCE CERTIFICATE

(Under Regulation 39(4) of the Insolvency and Bankruptcy Board of India
(Insolvency Resolution Process for Corporate Persons) Regulations, 2016

I, CA Rajmohan R, an insolvency professional enrolled with IIPICAI and registered with the Board with registration number IBBI/IPA-001/IP-P-02331/2020-2021/13517, am the resolution professional for the corporate insolvency resolution process (CIRP) of M/S. Attukal Devi Institute Of Medical Sciences Limited(CD).

1A. The details of the CIRP are as under:

Sl. No.	Particulars	Description
1	Name of the CD	M/S. Attukal Devi Institute of Medical Sciences Limited(CD).
2	Date of Initiation of CIRP	27.09.2024
3	Date of Appointment of IRP	27.09.2024
4	Date of Publication of Public Announcement	29.09.2024
5	Date of Constitution of CoC	19.10.2024
6	Date of First Meeting of CoC	27.10.2024
7	Date of Appointment of RP	10.12.2024
8	Date of Appointment of Registered Valuers	12.11.2024
9	Date of Issue of Invitation for EoI (In case of multiple issuance of EOI, please specify all such dates)	First Form G: 27.11.2024 Second Form G: 06.03.2025
10	Date of Final List of Eligible Prospective Resolution Applicants	16.04.2025
11	Date of Invitation of Resolution Plan	21.04.2025
12	Last Date of Submission	20.05.2025 which is further extended to





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	of Resolution Plan	05.08.2025 with the approval of CoC.
13	Date of submission of Resolution Plan to the RP	05.08.2025
14	Date of placing the Resolution Plan before the CoC	11.08.2025
15	Date of Approval of Resolution Plan by CoC	15.09.2025
16	Date of Filing of Resolution Plan with Adjudicating Authority	24.09.2025
17	Date of Expiry of 180 days of CIRP	26.03.2025
18	Date of each order extending/excluding the period of CIRP on request filed by RP	<ol style="list-style-type: none">1. Order of extension for 90 Days beyond 180 days: IA(IBC) 101/KOB/2025 in CP(IBC) 22/KOB/2024 order Dated 04.04.20252. Order of extension for 60 Days beyond 270 days: IA(IBC) 236/KOB/2025 in CP(IBC) 22/KOB/2024 order Dated 23.06.20253. Order of extension for 15 Days beyond 330 days: IA(IBC) 331/KOB/2025 in CP(IBC) 22/KOB/2024 order Dated 27.08.20254. Order of extension for 15 Days from date of order i.e. 11.09.2025: IA(IBC) 347/KOB/2025 in CP(IBC) 22/KOB/2024 order Dated 11.09.2025
19	Date of Expiry of Extended Period of CIRP	25.09.2025
20	Fair Value	3,89,90,309.00
21	Liquidation value	2,25,21,786.50
22	Number of Meetings of CoC held	17 CoC meetings



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1B.

(i) Whether Application for approval of Resolution Plan filed within 180 days of CIRP initiation - **No**

(ii) Number of days beyond 180 days taken for filing application for resolution plan - **180 Days**

(iii) Reasons for delay- The main reasons for the delay in completing the Corporate Insolvency Resolution Process (CIRP) are:

- Time taken to finalize resolution plans: The Committee of Creditors (CoC) required significant time to finalize the resolution plans submitted by Prospective Resolution Applicants (PRAs).
- Pending legal cases: There are pending cases before the Hon'ble High Court of Kerala and the Hon'ble National Company Law Tribunal (NCLT), Kochi Bench.
- Resolution plan issues: The first Form G failed, requiring the issuance of a second Form G to ensure wider participation.
- Audit and accounting issues: The completion of the books of accounts and the audit of the Corporate Debtor, which is a going concern, is still in progress.

2. I hereby certify that-

(i) the said Resolution Plan complies with all the provisions of the Insolvency and Bankruptcy Code, 2016 (IBC/Code), the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 (CIRP Regulations) and does not contravene any of the provisions of the law for the time being in force.

(ii) the Resolution Applicant, Dr. M Ayyappan has submitted an affidavit pursuant to section 30(1) of the Code confirming its eligibility under section 29A of the Code to submit resolution plan. The contents of the said affidavit are in order.

(iii) the said Resolution Plan has been approved by the CoC in accordance with the provisions of the Code and the CIRP Regulations made there under. The Resolution Plan has been approved by 100 % of voting share of financial creditors after considering its feasibility and viability and other requirements specified by the CIRP Regulations.

(iv) Detailed deliberations on the resolution plans took place during the 15th CoC meeting. Subsequently, the voting sheet for the approval of the Resolution Plan was shared with Dhanlaxmi Bank, the sole member with 100% voting power. The financial creditor then immediately shared the signed voting sheet before the 16th CoC meeting. The results were declared in the 16th CoC meeting, held on September 15, 2025, with all members of the CoC present.



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3. The details and documents related to the successful resolution applicant are as under:

Sl.No	Particulars	Description
1.	Name of Successful Resolution Applicant (SRA)	Dr. M. Ayyappan
2.	Nature of Business of SRA	Dr. M. Ayyappan is a distinguished and visionary leader whose career spans over four decades of outstanding service in the public sector, private enterprise, and entrepreneurial ventures. Known for his ability to transform organisations, he has an exceptional track record of reviving, scaling, and diversifying businesses in healthcare, manufacturing, infrastructure, and technology-driven sectors. His career is most prominently defined by his role as Chairman & Managing Director of HLL Lifecare Limited, where his leadership is often cited as a textbook example of how strategic vision, disciplined execution, and innovation can convert a small, product specific PSU into a globally respected multi-sector enterprise.
3.	Relationship status of SRA with CD, if any	SRA is unrelated to the CD
4.	Whether SRA is eligible to submit plan u/s 240A of IBC in case of MSME CD	SRA is unrelated to the CD
5.	Due Diligence Certificate of the RP u/s 29A of IBC for the SRA (pls attach copy of certificate)	Copy of the Due Diligence Certificate of the RP is attached as Annexure: XXVII



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4. The details of CIRP, and resolution plan are as under:

Sl.No	Particulars	Description
1.	Whether Corporate Debtor is an MSME, if so, Date of obtaining MSME registration (pls attach copy of registration certificate)	The Corporate Debtor is eligible to be an MSME, However, the MSME registration has not been done by the Corporate Debtor
2.	Business of the (CD)	Attukal Devi Hospital, is well-established, NABH-accredited multi-speciality hospital which commenced operations in 2008
3.	Total admitted claims (Amount in Rs.)	Rs. 11,14,39,512
4.	Resolution Plan Value (including insolvency resolution process cost, infusion of funds etc.) (pls attach copy of Resolution plan)	Rs. 3,91,58,897
5.	Voting percentage (%) of CoC in favour of Resolution Plan (pls attach copy of minutes approving resolution plan)	100%

5. Details of implementation of resolution plan:

Sl.No.	Particulars	Description
1.	Amount of Performance Guarantee furnished by SRA (in Rs.) and its validity (attach document)	Rs.10,00,000 paid directly to CIRP bank account. The same shall be adjusted towards the Resolution Plan payments
2.	Source of funds (in brief)	The Resolution Applicant has demonstrated the financial capacity to implement the





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		Resolution Plan by submitting details of personal net worth amounting to ₹7.34 Crores, consisting of immovable assets, movable assets, and financial assets. The applicant proposes to infuse the required resolution amount over a period of four (4) months, primarily through bank loan facilities to be availed by pledging personal assets.
3.	Capital restructuring and management of CD post approval of resolution plan (in brief including shareholding proposed to be transferred in favour of SRA)	<p>As part of this Resolution Plan, the entire share capital structure of Attukal Devi Institute of Medical Sciences Limited ("ADIMS") shall undergo a comprehensive restructuring. On approval of Resolution Plan by the Adjudicating Authority, ADIMS shall effect a capital restructuring by way of cancellation of existing shares and reduction/addition of share capital.</p> <p>This restructuring shall apply to all existing promoters, promoter group entities, affiliates, shareholders, and associates of ADIMS. Concurrently with the cancellation of the existing promoter shareholding, ADIMS shall issue fresh equity shares to the Resolution Applicant and/or its nominees, or to any new shareholders as may be determined by the Resolution Applicant, in accordance with the terms of this Plan.</p>
4.	Term and implementation of plan (in brief)	This Resolution Plan outlines a comprehensive strategy to revive a distressed hospital, ensuring its continued operation as a going concern and preserving its role as a vital healthcare provider and employer. Driven by social responsibility, the plan aims





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		<p>to maximize value for creditors and provide affordable, quality healthcare to the community.</p> <p>The core of the plan addresses and seeks to resolve all pre-acquisition legal disputes, including those with the Attukal Bhagavathy Temple Trust. The Resolution Applicant believes that upon the plan's approval by the Hon'ble NCLT under Section 31(1) of the IBC, all such claims will be settled or waived, protecting the revived hospital from future enforcement actions.</p> <p>The plan prioritises the full, upfront payment of Corporate Insolvency Resolution Process (CIRP) costs. It proposes a complete settlement for Dhanlaxmi Bank Ltd., the sole secured financial creditor, to be paid within 15 days of the plan's approval. It proposes a structured settlement of Rs. 50 Lakhs to the Attukal Bhagavathy Temple Trust (ABTT) . The entire plan is funded through a committed equity infusion from the Resolution Applicant, with an undertaking for additional funds to ensure successful implementation. This strategic infusion aims to restore profitability, restructure operations, and preserve employment. The plan proposes to settle the committed payments within 6 months from the date of approval by the Adjudicating authority. Detailed implementation plan is attached in the resolution plan.</p>
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5.	Details of monitoring committee (in brief)	The Monitoring Committee of M/s. Attukal Devi Institute of Medical Sciences Limited be constituted comprising CA Rajmohan R, Resolution Professional, Mr. Jayakumar Muraleedharan Nair, suspended director of the CD and the Authorised Representative of DLB, Financial Creditor, to oversee and monitor the implementation of the approved Resolution Plan in accordance with the provisions of the Insolvency and Bankruptcy Code, 2016.
6.	Effective date of resolution plan implementation	Effective date of resolution plan implementation shall be the date of approval of resolution plan by the Adjudicating Authority.

. The list of financial creditors of the CD being members of the CoC and distribution of voting share among them is as under:

Sl.No.	Name of Creditor	Voting Share(%)	Voting for Resolution Plan(Voted for/ Dissented / Abstained)
1	Dhanlaxmi Bank Ltd (Secured Financial creditor)	100%	100%
2	Dr.Ayyappan Nair Raghavan Pillai (Unsecured Related Party)	0%	0%
	Total	100%	100%

A.Realisable amount:

Sl.No	Particulars	Description
1.	Total Realisable amount under the plan (In case of realestate CDs,provide the monetary value of flats etc. given to allottees)	Rs. 3,91,58,897.00
2.	Fair Value	Rs. 3,89,90,309.00



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3.	Liquidation Value	Rs. 2,25,21,786.50
4.	Percentage (%) of realizable amount to Fair Value	100%
5.	Percentage (%) of realisable amount to Liquidation Value	174%
6.	Percentage (%) of realizable amount to Principal amount	49%
7.	Percentage (%) of realizable amount to Total admitted claims	35%
8.	Percentage (%) of realizable amount to Other than admitted Corporate Guarantee claims	35%

7B.Details of Realisable amount:

(Amount In Rupees)

Stakeholder Type	Amount(s)				Payment schedule
	Amount Claimed	Amount Admitted	Realisable amount under the plan	Amount realizable in plan to amount claimed (%)	
Secured Financial Creditors - Creditors not having a right to vote under sub-section (2) of section 21 - Dissenting - Assenting	5,60,169	5,60,169	5,60,169	100%	Within 15 days from the effective date (Date of approval by AA)
Unsecured Financial Creditors -Creditors not having a right to vote under sub-section (2) of section 21 - Dissenting - Assenting	2,87,76,325	2,87,76,325	0%	0%	Not Applicable
Operational Creditors					



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(i) Government	0	0	0	0	0
(ii) Workmen - PF dues - Other dues	1,36,07,838	0	1,36,07,838	100%	As and when the liability is crystalized post litigations
(iii) Employees - PF dues - Other dues		0	0	0	0
(iv) Other Operational creditors	8,21,03,018	8,21,03,018	50,00,000	06.08%	In four equal installments in which first installment starting within 15 days from the effective date.
Other Debts and Dues	0	0	0	0	0
Shareholders	0	0	0	0	0
Total					

8. The time frame proposed for obtaining relevant approvals is as under:

Sl.No.	Nature of Approval	Name of Applicable law	Name of Authority who will grant Approval	When to be obtained
1	Clinical Establishment License	Clinical Establishments (Registration and Regulation) Act, 2010	Department of Health and Family Welfare.	As and when due
2	Pollution Control	Water (Prevention and Control of Pollution) Act, 1974 and the Air (Prevention and Control of Pollution) Act, 1981.	Kerala State Pollution Control Board	As and when due



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3	Biomedical Waste	Bio-Medical Waste Management Rules, 2016,	Kerala State Pollution Control Board	As and when due
4	Fire Safety	Kerala Fire and Rescue Services Act, 1999	Department of Fire and Rescue Services.	As and when due
5	Pharmacy Licence	Drugs and Cosmetics Act, 1940 and the Drugs and Cosmetics Rules, 1945.	Drugs Control Department	As and when due
6	Blood Bank License	Drugs and Cosmetics Act, 1940, specifically under Part XI of the Drugs and Cosmetics Rules, 1945	Drugs Control Department	As and when due
7	Lease Agreement	The Kerala Buildings (Lease and Rent Control) Act, 1965	Attukal Bhavathy Temple Trust	From the effective date

9. Steps to be taken by the concerned parties post approval of resolution plan by AA:

Next Step(s)	Name of Party	Timeline
Renewal of the Lease agreement	Attukal Bhagavathy Temple Trust	Immediate on approval of the resolution plan

10. Details of Income Tax losses carry forward under Section 79 (2)(c) of Income Tax Act, 1961, if any. **NIL**

11. Amount of Regulatory fee payable (0.25%) to the Board under Regulation 31A is Rs. 97,897 (Rupees Ninety Seven thousand Eight Hundred and Ninety Seven Only) and affidavit to the said effect is submitted by the SRA to the Resolution Professional. - **Affidavit attached**



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12. Status of Preferential, Undervalued, Fraudulent and Extortionate transactions and how these are dealt in the resolution plan, if any

Sl . No.	Type of Transaction	Amount (Rs.)	Date of Filing with Adjudicating Authority	Date of Order of the Adjudicating Authority	Brief of the Order	How it is dealt in resolution plan
1	Preferential transactions u/s 43	0	0	0	0	0
2	Undervalued transactions u/s 45	0	0	0	0	0
3	Extortionate credit transactions u/s 50	0	0	0	0	0
4	Fraudulent transactions u/s 66	0	0	0	0	0
5.	Combination of PUFEE transactions	0	0	0	0	0
	Total					

13. If resolution plan submitted by suspended director/promoter of CD, any PUFEE applications against the suspended directors are pending, if so the details of the same.

The resolution plan is not submitted by suspended director/promoter of CD

14. Details of other IA's pending against the Corporate Debtor:

Filing No.	Date of Application	Applicant(s) name	Respondent(s) name	Amount Involved, if any	Issue involved(in brief)
IA(IBC)/217/KOB/2025 in CP(IBC)/22/KOB/2024	28.03.2025	Attukal Temple Trust	C.A Rajmohan R	Nil	Application filed not to include the asset of the applicant in CIRP and to evict the C.D



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15. Other compliances

a. The committee has approved a plan providing for contribution under regulation 39B as under: **NA**

- (i) Estimated liquidation cost: Rs.....
(ii) Estimated liquid assets available: Rs.....
(iii) Contributions required to be made: Rs.....
(iv) Financial creditor wise contribution is as under:

Sl.No.	Name of financial creditor	Amount to be contributed (Rs.)
1	NA	NA
2	NA	NA
Total	NA	NA

b. The committee has recommended under regulation 39C as under:

- (i) Sale of corporate debtor as a going concern: **NA**
(ii) Sale of business of corporate debtor as a going concern: **NA**

c. The committee has fixed, in consultation with the resolution professional, the fee payable [Amount in Rs.....] to the liquidator during the liquidation period under regulation 39 D. **NA**

16. Whether Resolution Plan is subject to any contingency/condition-**No**

17. The Resolution Plan has been filed in 360 days after the commencement of CIRP (in terms of Section 12 of the Code).

Declaration

I, CA Rajmohan R, hereby certify that the contents of this certificate are true and correct to the best of my knowledge and belief, and nothing material has been concealed therefrom.

Name of the Resolution Professional: CA Rajmohan R

IP Registration No: IBBI/1PA-001/1P-P-02331/2020-2021/13517

Address as registered with the Board: Rajbhavan, Krishnapuram St No 6, Hs 175A & 514-12/1, Ollukkara, Thrissur - 680655

Email id as registered with the Board:rajmohanip@gmail.com

Date: 23.09.2025

Place: Thrissur



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37. The Resolution Professional has submitted the details of various compliances as envisaged by the Code and the Corporate Insolvency Resolution Process Regulations, which a Resolution Plan is required to adhere to, as follows:

Section/ Regulation	Requirement with respect to the Resolution Plan	Clause of the Resolution Plan	Compliance Yes/No
Section 25(2)(h)	Whether the Resolution Applicant meets the criteria approved by the CoC, having regard to the complexity and scale of operations of the business of the CD	Clause 2 of Chapter I-"Overview" and Chapter II -"About the Resolution Applicant"	Yes
Section 29A	Whether the Resolution Applicant is eligible to submit a resolution plan as per the final list of the Resolution Professional or Order, if any, of the Adjudicating Authority?	Clause 5.6 of Chapter V- "Mandatory Content of the Plan"	Yes
Section 30(1)	Whether the Resolution Applicant has submitted an affidavit stating that it is eligible?	The SRA has submitted an affidavit stating that it is eligible as per the Code, and the same is attached	Yes
30(2)	Whether the Resolution Plan- (a)Provides for the payment of insolvency resolution process costs?	Clause 1 of Chapter V- "Mandatory Content of the Plan"	Yes



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	(b)provides for the payment to the operational creditors?	Clause 2 of Chapter V-"Mandatory Content of the Plan"	Yes
	(c)provides for the payment to the financial creditors who did not vote in favour of the resolution plan?	No Financial Creditor voted against the Resolution Plan	Yes
	(d)provides for the management of the affairs of the corporate debtor?	Clause 5.5 of Chapter V-"Mandatory Content of the Plan"	Yes
	(e)provides for the implementation and supervision of the resolution plan?	Clause 4 of Chapter V- "Mandatory Content of the Plan"	Yes
	(f) contravenes any of the provisions of the law for the time being in force?	Clauses 5.7 and 5.8 of Chapter V - "Mandatory Content of the Plan"	Yes
Section 30(4)	Whether the Resolution Plan (a)is feasible and viable, according to the CoC?	Item No.9 in the 16 th CoC dated 15.09.2025	Yes
	(b)has been approved by the CoC with 66% voting share?	16 th CoC dated 15.09.2025 has been approved with 100% voting rights.	Yes



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Section 31(1)	Whether the Resolution Plan has provisions for its effective implementation plan, according to the CoC?	Chapter V and Chapter X	Yes
Regulation 38(1)	Whether the amount due to the operational creditors under the resolution plan has been given priority in payment over financial creditors?	Even though there is no amount to be paid to operational creditors in the event of a liquidation of the corporate debtor under section 53 as per regulation 30 (2)(b) in this case, SRA has provided for a payment of Rs.50 Lakhs to the operational creditor out of which 12.5 lakhs shall be paid immediately within 15 days from the approval of resolution plan by the adjudicating authority and balance in three equal monthly installments, which is more than the payment to the secured financial creditor which amount to Rs.	Yes



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		5,60,169 only.	
Regulation 38(1A)	Whether the resolution plan includes a statement as to how it has dealt with the interests of all stakeholders?	Clause V- Mandatory Content of the Plan"	Yes
Regulation 38(1B)	Whether the Resolution Applicant or any of its related parties has failed to implement or contributed to the failure of implementation of any resolution plan approved under the Code. If so, whether the Resolution Applicant has submitted the statement giving details of such non-implementation?	Not Applicable	Not Applicable
Regulation 38(2)	Whether the Resolution Plan provides: (a) the term of the plan and its implementation schedule? (b) for the management and control of the business of the corporate debtor during its term? (c) adequate means for supervising its implementation	Chapter V and Chapter X provides for, (a)The term of the plan and its implementation schedule (b)For the management and control of the business of the corporate debtor during its term Adequate means for supervising its implementation	Yes Yes
Regulation 38(3)	Whether the resolution plan demonstrates that – (a) it addresses the cause of default?	Chapter V and Chapter X provides for, (a)it addresses the cause of	Yes



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	(b) it is feasible and viable?	default (b)it is feasible and viable	Yes
	(c) it has provisions for its effective implementation?	(c)it has provisions for its effective implementation	Yes
	(d) it has provisions for approvals required and the timeline for the same?	(d)it has provisions for approvals required and the timeline for the same	Yes
	(e) the resolution applicant has the capability to implement the resolution plan?	(e) the resolution applicant has the capability to implement the resolution plan	Yes
Regulation 39(2)	Whether the RP has filed applications in respect of transactions observed, found, or determined by him	Not Applicable	Not Applicable
Regulation 39(4)	Provide details of performance security received, as referred to in sub-regulation (4A) of regulation 36B	NEFT Transfer to Corporate Debtors Account on 11.08.2025. Evidence is attached.	Yes

38. The Resolution Professional filed an affidavit affirming that due diligence has been conducted and the Successful Resolution Applicant is eligible under Section 29A of the IBC, 2016, and further confirming that there are no contingent liabilities of the Corporate Debtor pending as on the date of initiation of CIRP and prior to approval of the Resolution Plan by the CoC



other than the EPFO Claim of Rs 3,15,17,942/- is filed as Annexure XXVII.

39. Valuation of the Corporate Debtor as provided in Form H is as follows:

Fair Value	Rs. 3,89,90,309.00/-
Liquidation Value	Rs. 2,25,21,786.50/-
Plan Value	Rs. 2,86,07,838.00/-

ANALYSIS AND FINDINGS

40. We have heard the Learned Counsel appearing for the Applicant/Resolution Professional, perused the Resolution Plan submitted by the Successful Resolution Applicant, the records of the Corporate Insolvency Resolution Process, the minutes of the Committee of Creditors meetings, Form H, valuation reports, and all other materials placed before this Adjudicating Authority.
41. Before proceeding further, we would like to pen down that this is not a simple case filed by a Financial Creditor for the resolution of the Corporate Debtor on account of default. After going through the entire records, submissions, Resolution Plan so submitted, and other materials on record, it is gathered that the peculiar facts and circumstances of this case remind this Adjudicating Authority of its pious duty towards all stakeholders in a pragmatic manner and also compel it to consider whether this Adjudicating Authority is bound to follow only what is stated between the lines based on the projected facts of a given case.
42. This case puts the Adjudicating Authority in a position to critically analyse the hidden streams in order to arrive at the right conclusion under Section 31



of the Insolvency and Bankruptcy Code, 2016. If a Resolution Plan is submitted before the Adjudicating Authority for its approval, what is the scope, and what are the options available to the Adjudicating Authority? Further, if the Adjudicating Authority concludes that the Resolution Plan is not viable, whether the only option available is liquidation, or whether the Adjudicating Authority can evolve something different to protect the interests of all stakeholders. This Adjudicating Authority, in the present case, is dealing with a Corporate Debtor, a hospital running on a leased property having a liquidation value which is not sufficient to meet the claims, and being a tenant at sufferance, the Corporate Debtor is proposed to continue with the alleged tenancy against the wishes of the landlords, where the lease had already expired before the initiation of the Corporate Insolvency Resolution Process. In contrast, the landowner, a charitable temple society, has been waiting for arrears of rent since 2007. The hospital has more than 140 employees and is a going concern, running profitably while providing healthcare services to the lower strata of society. Whether such an entity can be put into liquidation. To answer all these questions, let us examine the various aspects of this case.

43. The Corporate Insolvency Resolution Process against the Corporate Debtor was initiated pursuant to an application filed under Section 7 of the Insolvency and Bankruptcy Code, 2016, by Dr. Ayyappan Nair Raghavan Pillai, claiming to be a Financial Creditor of the Corporate Debtor. This Adjudicating Authority, vide order dated 27.09.2024, passed in CP(IBC)/22/KOB/2024, admitted the application and commenced the Corporate Insolvency Resolution Process, appointing CA Rajmohan R as the Interim Resolution Professional, who was subsequently confirmed as the



Resolution Professional by the Committee of Creditors. During the Corporate Insolvency Resolution Process, the Resolution Professional conducted the process in accordance with the provisions of the Code and the Regulations framed thereunder, issued Form G on two occasions, invited Expressions of Interest, and facilitated submission and evaluation of Resolution Plans received from eligible Prospective Resolution Applicants. Ultimately, four Resolution Plans were placed before the Committee of Creditors for consideration.

44. After deliberations, presentations, clarifications, and evaluation exercises undertaken across multiple meetings of the Committee of Creditors, the Resolution Plan submitted by Dr. M. Ayyappan came to be approved by the Committee of Creditors in its 16th Meeting held on 15.09.2025 with 100% voting share, the sole voting Financial Creditor being Dhanlaxmi Bank Limited. Pursuant to such approval and in terms of Section 30(6) of the Insolvency and Bankruptcy Code, 2016, read with Regulation 39(4) of the CIRP Regulations, the Resolution Professional has placed the approved Resolution Plan before this Adjudicating Authority seeking its approval under Section 31 of the Code.
45. The Hon'ble Supreme Court in the matter of **K. Sashidhar v. Indian Overseas Bank & Ors.**, (2019) *ibclaw.in 08 SC*, decided on 05.02.2019, wherein it is held as under;

19.....In the present case, however, our focus must be on the dispensation governing the process of approval or rejection of the resolution plan by the CoC. The CoC is called upon to consider the resolution plan under Section 30(4) of the I&B Code after it is verified and vetted by the resolution professional as being compliant with all the statutory requirements specified in Section 30(2).



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55. *Whereas, the discretion of the adjudicating authority (NCLT) is circumscribed by Section 31 limited to scrutiny of the resolution plan ,as approved' by the requisite per cent of voting share of financial creditors. Even in that enquiry, the grounds on which the adjudicating authority can reject the resolution plan is in reference to matters specified in Section 30(2), when the resolution plan does not conform to the stated requirements. Reverting to Section 30(2), the enquiry to be done is in respect of whether the resolution plan provides: (i) the payment of insolvency resolution process costs in a specified manner in priority to the repayment of other debts of the corporate debtor, (ii) the repayment of the debts of operational creditors in prescribed manner, (iii) the management of the affairs of the corporate debtor, (iv) the implementation and supervision of the resolution plan, (v) does not contravene any of the provisions of the law for the time being in force, (vi) conforms to such other requirements as may be specified by the Board. The Board referred to is established under Section 188 of the I&B Code. The powers and functions of the Board have been delineated in Section 196 of the I&B Code. None of the specified functions of the Board, directly or indirectly, pertain to regulating the manner in which the financial creditors ought to or ought not to exercise their commercial wisdom during the voting on the resolution plan under Section 30(4) of the I&B Code. The subjective satisfaction of the financial creditors at the time of voting is bound to be a mixed baggage of variety of factors. To wit, the feasibility and viability of the proposed resolution plan and including their perceptions about the general capability of the resolution applicant to translate the projected plan into a reality. The resolution applicant may have given projections backed by normative data but still in the opinion of the dissenting financial creditors, it would not be free from being speculative. These aspects are completely within the domain of the financial creditors who are called upon to vote on the resolution plan under Section 30(4) of the I&B Code.*

58. *Indubitably, the inquiry in such an appeal would be limited to the power exercisable by the resolution professional under Section 30(2) of the I&B Code or, at best, by the adjudicating authority (NCLT) under Section 31(2) read with Section 31(1) of the I&B Code. No other inquiry would be permissible. Further, the jurisdiction bestowed upon the appellate authority (NCLAT) is also expressly circumscribed. It can examine the challenge only in relation to the grounds specified in Section 61(3) of the I&B Code, which is limited to matters ,other than' enquiry into the autonomy or commercial wisdom of the dissenting financial creditors. Thus, the prescribed authorities (NCLT/NCLAT) have been endowed with limited jurisdiction as specified in*



the I&B Code and not to act as a court of equity or exercise plenary powers.

46. It is also pertinent to note that the Hon'ble Supreme Court, while recognising the primacy of the commercial wisdom of the Committee of Creditors, has also clarified that the same is not beyond judicial scrutiny in cases of statutory non-compliance or legal infirmity, as observed in ***Lamba Exports Pvt. Ltd. v. Dhir Global Industries Pvt. Ltd. and Ors., (2026) ibclaw.in 129 SC***, decided on **23.03.2026**. The relevant portion is as follows:

At the same time, it is necessary to state that primacy of commercial wisdom does not mean that every action taken in the insolvency process is altogether immune from scrutiny in every situation. Where a challenge is laid in an appropriate proceeding on a legally sustainable foundation, such as statutory illegality or a jurisdictional infirmity, the matter would naturally be considered in accordance with law....

47. From the principles laid down in *K. Sashidhar v. Indian Overseas Bank & Ors.* and *Lamba Exports Pvt. Ltd. v. Dhir Global Industries Pvt. Ltd. & Ors.*, it is evident that while the commercial wisdom of the Committee of Creditors occupies a position of primacy in the insolvency resolution process, the same is not immune from judicial scrutiny in every circumstance. The objective of the Insolvency and Bankruptcy Code, 2016, is the successful resolution of the Corporate Debtor through a Resolution Plan that is capable of effective implementation and revival of the Corporate Debtor as a going concern. Though this Adjudicating Authority cannot sit in appeal over the commercial decision of the Committee of Creditors or undertake a fresh assessment of the financial feasibility and viability of the Resolution Plan, it is nevertheless duty-bound to examine whether the Plan suffers from any statutory illegality, legal infirmity, or apparent impediment that may render its implementation impossible or contrary to law. Where the materials on record disclose circumstances indicating that the Resolution Plan is founded upon



assumptions incapable of being legally enforced or implemented, this Adjudicating Authority would be justified in scrutinising such aspects within the limited jurisdiction conferred under Sections 30 and 31 of the Code, so as to ensure that the approval of the Resolution Plan advances the object of resolution rather than leading to a foreseeable failure of the process.

48. It is most relevant to note that the Corporate Debtor is carrying on its hospital operations entirely from premises belonging to Attukal Bhagavathy Temple Trust. The records placed before this Adjudicating Authority reveal that the lease period in respect of the said premises had expired even prior to the commencement of the Corporate Insolvency Resolution Process. It is further evident that serious disputes have arisen between the Corporate Debtor and the landlord regarding the continued occupation and possession of the property, and proceedings concerning the same are pending before the competent Rent Control Authority. The landlord has consistently and unequivocally asserted its intention not to continue or renew the lease arrangement and has actively pursued legal remedies for recovery of possession of the premises. In fact, the landlord had also approached this Adjudicating Authority by filing IA(IBC)/217/KOB/2025 seeking exclusion of the leasehold premises from the CIRP and recovery of possession thereof. Though the said application has since been disposed of, the underlying dispute concerning the Corporate Debtor's continued occupation of the premises remains unresolved and continues to have a direct bearing on the implementation of the Resolution Plan.
49. A careful consideration of the Resolution Plan demonstrates that the entire resolution framework is founded upon the continued operation of the



hospital from the existing premises. The Resolution Applicant has projected revival of the Corporate Debtor, continuation of healthcare services, preservation of employment, and generation of future revenues on the premise that the hospital shall continue to function from the present location. The business projections, revenue assumptions, operational strategy, and implementation schedule contained in the Resolution Plan are all intrinsically linked to the Corporate Debtor's continued occupation of the leased premises. Thus, the viability and feasibility of the Resolution Plan are inseparably dependent upon the availability of the property from which the Corporate Debtor presently conducts its business.

50. However, the Resolution Applicant possesses no ownership or proprietary rights over the land and buildings in question. The property belongs to an independent third-party landlord who is not bound to create, extend, or renew contractual rights in favour of the Resolution Applicant because the Resolution Plan has been approved by the Committee of Creditors. The claim of the Corporate Debtor regarding statutory tenancy rights under the Kerala Buildings (Lease and Rent Control) Act, 1965, constitutes a defence against eviction except in accordance with law. Such statutory protection cannot be construed as conferring upon the Resolution Applicant an enforceable right to secure long-term possession of the property or to compel the landlord to continue a lease arrangement against its wishes. The Corporate Debtor, after the expiry of the lease, is a tenant at sufferance with limited rights to occupy the property, though protected from illegal eviction except in accordance with law. It has no right to retain possession, no right to renewal of the lease, and further no right to create any third-party interest in the property. A tenant at sufferance has no right to claim the protections otherwise available



under a lease agreement; except for possession, no other rights can be claimed, and a tenant at sufferance is a person awaiting legal orders of eviction. Thus, the Corporate Debtor, in the present case, is at the mercy of its landowners. The Successful Resolution Applicant has failed to procure any consent or concurrence from the landowners for continuation of occupation of the premises, while the landowners are seeking immediate recovery of possession. The Hon'ble Supreme Court in ***Indian Oil Corporation Ltd. vs Sudera Realty Private Limited*** on 6 September 2022 in CIVIL APPEAL NO.6199 OF 2022 held as under:

83. Once the lease comes to an end, the erstwhile tenant becomes a tenant at sufferance. He cannot be dispossessed, except in accordance with law. But he cannot, in law, have any right or interest anymore. Even though, under Section 108 of the Transfer of Property Act, if there is no contract to the contrary, the tenant may have the right, under Section 108(j), to transfer his interest absolutely or even by sub-lease or mortgage, when the lease expires by efflux of time, his interest as lessee would come to an end. In this context, we may notice the following statement of the law in Bhawanji Lakhmshi and Others v. Himatlal Jammnadas Dani and Others²³:

"9. The act of holding over after the expiration of the term does not create a tenancy of any kind. If a tenant remains in possession after the determination of the lease, the common law rule is that he is a tenant on sufferance..." 23 (1972) 1 SCC 388. Thus, on the expiry of a lease, the erstwhile tenant, who remains a tenant at sufferance, would have no right to transfer.

51. The statutory protections to tenants can be used as a shield but cannot be used as a sword. Since the lease had expired before the commencement of the CIRP, the Corporate Debtor had no subsisting leasehold interest capable of being transferred to the Successful Resolution Applicant. In the absence of the landlord's consent for continued occupation, the implementation of the Resolution Plan remains dependent on an uncertain and unenforceable assumption.
52. This Adjudicating Authority is also conscious of the well-settled legal



principle embodied in the maxim *quando aliquid prohibetur ex directo, prohibetur et per obliquum*, meaning thereby that what cannot be done directly cannot be permitted to be achieved indirectly. The Insolvency and Bankruptcy Code, 2016, does not confer any power upon this Adjudicating Authority to compel a third-party landlord to create, renew, extend, or continue a lease in favour of a Resolution Applicant. Therefore, approval of a Resolution Plan cannot be utilised as an indirect mechanism to secure continuation of a leasehold arrangement which could not otherwise be enforced directly against the wishes of the landlord. To hold otherwise would, in effect, amount to using the resolution process to create substantive proprietary or contractual rights in favour of the Resolution Applicant over property belonging to a third party, a consequence not contemplated by the Code.

53. In these circumstances, this Adjudicating Authority cannot ignore the fact that the successful implementation of the Resolution Plan is substantially contingent upon events that are neither certain nor within the control of the Resolution Applicant. The continuation of hospital operations from the existing premises depends upon the outcome of pending disputes and the subsistence of rights which are presently under challenge before competent forums. If the landlord ultimately succeeds in recovering possession of the premises, the very foundation upon which the Resolution Plan has been structured would stand displaced. The implementation of the Plan would then become uncertain, if not impossible.
54. The feasibility and viability contemplated under the Insolvency and Bankruptcy Code, 2016, cannot be assessed merely on financial projections



or commercial promises. A Resolution Plan must also be capable of practical and legal implementation. A plan that is dependent upon speculative future contingencies, uncertain litigation outcomes, or continuation of disputed third-party rights cannot readily be regarded as a self-sustaining and implementable resolution framework. Approval of such a plan would effectively require this Adjudicating Authority to assume that the disputes concerning the occupation of the premises shall ultimately be resolved in favour of the Resolution Applicant, an assumption which this Adjudicating Authority is neither empowered nor justified to make.

55. At this stage, it becomes necessary to advert to Section 31(1) of the Insolvency and Bankruptcy Code, 2016. While the provision mandates approval of a Resolution Plan that satisfies the requirements of Section 30(2), the first proviso thereto casts an additional obligation upon the Adjudicating Authority before granting such approval. The said provision reads as follows:

Section 31: Approval of resolution plan.

If the Adjudicating Authority is satisfied that the resolution plan as approved by the committee of creditors under sub-section (4) of section 30 meets the requirements as referred to in sub-section (2) of section 30, it shall by order approve¹ the resolution plan which shall be binding on the corporate debtor and its employees, members, creditors, including the Central Government, any State Government or any local authority to whom a debt in respect of the payment of dues arising under any law for the time being in force, such as authorities to whom statutory dues are owed, guarantors and other stakeholders involved in the resolution plan.

Provided that the Adjudicating Authority shall, before passing an order for approval of resolution plan under this sub-section, satisfy that the resolution plan has provisions for its effective implementation.

Provided further that the Adjudicating Authority may, on an application made by the resolution professional, with the approval of the committee of creditors, by a vote of not less than sixty-six per cent. of the voting share, in



such form and manner, and subject to such conditions as may be specified, first approve the implementation of the resolution plan and thereafter approve the manner of distribution provided therein within a period of thirty days from the date of approval of implementation of such resolution plan.

56. Applying the aforesaid statutory requirement to the facts of the present case, this Adjudicating Authority finds itself unable to record the satisfaction contemplated under the first proviso to Section 31(1) of the Code. As already noticed, the Resolution Plan is fundamentally premised upon the continued operation of the hospital from premises over which the Corporate Debtor possesses no ownership rights and in respect of which serious disputes concerning occupation and possession are presently pending before competent forums. The successful implementation of the Resolution Plan is therefore contingent upon uncertain future events and the continuation of rights that are actively disputed by the landlord. In the event the Corporate Debtor or the Resolution Applicant is unable to continue in possession of the premises, the very basis on which the Plan has been structured would stand frustrated. Consequently, the Resolution Plan cannot be said to provide a clear, certain, and legally enforceable framework capable of effective implementation as contemplated under Section 31(1) of the Code.
57. While exercising jurisdiction under Section 31 of the Code, this Adjudicating Authority does not sit in appeal over the commercial wisdom of the Committee of Creditors. Nevertheless, where the materials on record disclose an apparent legal impediment that strikes at the root of the implementation of the Resolution Plan, this Adjudicating Authority cannot remain silent on the same. The object of the Code is the successful resolution and revival of the Corporate Debtor as a going concern and not the approval of a Resolution Plan whose implementation is rendered doubtful by foundational



uncertainties. In the facts of the present case, the Resolution Plan is substantially dependent upon the continuation of a disputed leasehold arrangement and the outcome of pending litigation. Such uncertainty raises serious concerns regarding the feasibility, viability, and effective implementation of the Resolution Plan, thereby preventing this Adjudicating Authority from recording the satisfaction required under the first proviso to Section 31(1) of the Code.

58. Another aspect that merits consideration is the manner in which the Resolution Plan proposes to secure implementation of its various obligations. The Resolution Applicant has stated that support and assistance from the suspended directors of the Corporate Debtor would be available for implementation of the Resolution Plan and for continuation of the hospital operations. The Resolution Plan further contemplates the constitution of a Monitoring Committee comprising representatives of the Resolution Applicant, the Committee of Creditors and certain key stakeholders for overseeing implementation of the Plan. The relevant portion is reproduced as below:

Monitoring Committee

To ensure effective and timely implementation of this Resolution Plan, and to safeguard adherence to its obligations in both letter and spirit, a Monitoring Committee shall be constituted within seven (7) business days from the date of approval of this Plan by the Hon'ble NCLT ("Effective Date").

Composition: The Monitoring Committee shall be constituted by the Committee of Creditors (CoC) and shall comprise:

One (1) representative nominated by the Resolution Applicant;

Such other members as may be deemed necessary by the CoC, including representatives from key stakeholder groups relevant to the continued operations of the Corporate Debtor.

59. However, a careful examination of the aforesaid clause of the Resolution Plan reveals that while the Monitoring Committee is proposed to consist of one



representative nominated by the Resolution Applicant and such other members as may be deemed necessary by the Committee of Creditors, including representatives from key stakeholder groups, the Resolution Plan does not disclose the identity of such key stakeholders or the basis on which they would be selected. The Plan is also silent as to the specific role, authority, responsibilities, and extent of participation of such members in the implementation and oversight of the Resolution Plan. However, it is also seen from the records, particularly the minutes of the meetings of the Committee of Creditors, that in the second presentation made by the Successful Resolution Applicant, a PowerPoint presentation was placed before the Committee of Creditors. As per the explanations provided therein, the proposed management team of the Corporate Debtor was indicated as follows:

MANAGEMENT TEAM

Including the Suspended Directors who have consented to join

Dr. M Ayyappan - Management Professional with track record of managing both Public and Private sector undertakings successfully.

*Satish Gopalakrishna Pillai, **(Suspended Director)** Executive Director of Galfar Al Misnad Engineering and Contracting W.L.L.*

*Dr. D M Vasudevan, **(Suspended Director)**, a distinguished Indian biochemist, educator, and entrepreneur. He is the Founder and Chairman of Agape Diagnostics Ltd. Former Principal of Amrita Institute of Medical Sciences*

*CA. Mohandas Parayath, **(Suspended Director)**, Partner Balan & Co.*

*CA. Vijayamohan Sukumaran Nair **(Suspended Director)**, Audit & Assurance in India & UAE*

*Jayakumar Muraleedharan Nair, **(Suspended Director)** & President of Anathapuram Cooperative Bank, Professor of Commerce.*

*CA. M R Ranjit Karthikeyan, **(Suspended Director)**, Chartered Accountant in public practice. Former Independent Director of Electronic Corporation of India Ltd.*

*Murali Madhavan Nair, **(Suspended Director)**, Former Dy. Director, Tribal Welfare Department, Government of Kerala*

Dr. B S Pradeep, Physician engaged in Private Practice since 1991



60. A perusal of the proposed management team disclosed in the presentation reveals that out of the nine persons proposed to constitute the management team, seven are members of the erstwhile suspended management of the Corporate Debtor. This clearly indicates that the suspended management is intended to continue the affairs of the Corporate Debtor through the Resolution Plan under the guise of a new management structure. It is also observed that the proposed management team also includes the very person who has challenged the order admitting the Corporate Debtor into the Corporate Insolvency Resolution Process before the Hon'ble High Court of Kerala. This circumstance assumes importance, as a person questioning the validity of the Corporate Insolvency Resolution Process itself is simultaneously proposed to be entrusted with the management and control of the Corporate Debtor. Though the Corporate Debtor is an MSME and the provisions of Section 29A may not operate with the same rigour, if the suspended management intended to participate in the resolution process and regain control of the Corporate Debtor, they ought to have done so transparently and in their own names. The proposed management structure suggests that the suspended management would continue to control the affairs of the Corporate Debtor through a proxy arrangement, rather than through direct participation in the resolution process.
61. In effect, the Resolution Plan creates an impression that the suspended management would continue to remain an integral and indispensable component of the post-resolution structure. While the Code does not prohibit consultation with the former management where permissible in law, a Resolution Plan must clearly disclose the persons who are proposed to exercise control, participate in management, or play a material role in its



implementation. The present Plan, however, suggests that the affairs of the Corporate Debtor would substantially remain in the hands of the suspended management, notwithstanding the approval of the Resolution Plan in favour of the Successful Resolution Applicant. Such a lack of transparency gives rise to uncertainty regarding the true nature of the proposed resolution framework and raises legitimate concerns as to whether the Resolution Applicant would, in substance, exercise independent control over the Corporate Debtor or whether the suspended management would continue to influence its affairs through indirect means.

62. In the present case, upon consideration of the Resolution Plan and the materials available on record, the following courses are available to this Adjudicating Authority:

- i. Approval of the Resolution Plan; or
- ii. Rejection of the Resolution Plan resulting in liquidation of the Corporate Debtor.

63. In the facts of the present case, and for the reasons discussed hereinabove, this Adjudicating Authority is unable to approve the Resolution Plan. The implementation of the Plan is substantially dependent upon uncertain and contingent events, particularly the continued availability of the hospital premises from which the Corporate Debtor presently operates. The Plan proceeds on assumptions regarding continuation of the leasehold arrangement despite the landlord having consistently opposed renewal or continuation of the lease and despite the existence of pending disputes relating thereto. The implementation framework contemplated under the Plan is also marked by uncertainty inasmuch as it envisages substantial



involvement of persons connected with the suspended management without clearly delineating their role, authority or responsibilities. In substance, the Resolution Plan appears to envisage continuation of the existing management structure through the vehicle of a third-party Resolution Applicant. Such a framework does not inspire confidence regarding the independent and effective implementation of the Resolution Plan. Consequently, this Adjudicating Authority is unable to record the satisfaction required under the first proviso to Section 31(1) of the Code that the Resolution Plan contains adequate provisions for its effective implementation.

64. Ordinarily, rejection of a Resolution Plan may result in the commencement of liquidation proceedings. However, the peculiar facts and circumstances of the present case require a closer examination of the consequences that would follow from such a course of action.
65. The Corporate Debtor is operating a multi-speciality hospital and continues to function as a going concern. The materials available on record indicate that the hospital is actively providing healthcare services to the public and has an established patient base. It is further noticed that a substantial number of employees are presently engaged in the operations of the hospital and depend upon its continued functioning for their livelihood. Significantly, no employee has lodged any claim before the Resolution Professional during the Corporate Insolvency Resolution Process. This circumstance indicates that salaries and employment-related dues are being regularly serviced and that no employee dues remain outstanding as on date. The continued operation of the hospital and the absence of employee claims demonstrate that the



Corporate Debtor remains a functioning enterprise notwithstanding the pendency of the insolvency proceedings.

66. The records further reveal that the liquidation value of the Corporate Debtor has been determined at Rs.2,25,21,786.50/-. The said value is comparatively insignificant when viewed against the scale of operations presently being carried on by the Corporate Debtor, the employment generated by the hospital and the public utility services being rendered by it. Closure of a functioning multi-speciality hospital would not merely affect stakeholders identified under the Code but would also have wider social and economic consequences, including loss of employment and disruption of healthcare services being provided to the community.
67. At this juncture, it is also necessary to examine the nature and composition of the claims admitted in the Corporate Insolvency Resolution Process. The records reveal that Dhanlaxmi Bank Limited, the sole voting member of the Committee of Creditors, has an admitted claim of Rs.5,60,169/-. The records further disclose that Attukal Bhagavathy Temple Trust, the landlord of the premises from which the Corporate Debtor is operating, has an admitted operational debt claim of Rs.7,95,79,475/-. The records further disclose that Dr. Ayyappan Nair Raghavan Pillai, the erstwhile Managing Director and the petitioner who initiated the proceedings under Section 7 of the Code, has an admitted unsecured financial debt of Rs.2,87,76,325/-. In addition thereto, an operational debt claim of Rs.25,23,543/- towards salary dues has also been admitted in his favour. The admitted claims further include operational creditor claims aggregating to Rs.78,39,831/- and claims relating to the Employees' Provident Fund Organisation, the quantification and liability of



which are stated to be subject to pending proceedings before the competent forum.

68. A consideration of the aforesaid claims reveals a peculiar factual situation. The sole voting financial creditor in the Committee of Creditors has an admitted exposure of only Rs.5,60,169/-, whereas substantially larger claims are asserted by the landlord, the erstwhile promoter, and other operational creditors. It is not for this Adjudicating Authority to substitute its views for the commercial wisdom of the Committee of Creditors. Nevertheless, while examining the overall circumstances of the case, this Adjudicating Authority cannot ignore the fact that the implementation of the Resolution Plan would have the effect of significantly impacting the rights and liabilities of stakeholders whose admitted claims are substantially larger than that of the sole voting financial creditor.
69. The materials on record further indicate that a substantial portion of the dues claimed by Attukal Bhagavathy Temple Trust relates to arrears of rent and occupation charges in respect of the premises from which the Corporate Debtor continues to operate. It is also brought on record that disputes concerning such liabilities have been the subject matter of proceedings before various forums. Equally, the unsecured financial debt claimed by Dr. Ayyappan Nair Raghavan Pillai appears to have arisen in connection with funds advanced to the Corporate Debtor during its management and operation. These claims constitute a significant portion of the overall liabilities of the Corporate Debtor.
70. When the Resolution Plan is examined in the backdrop of these facts, it appears that the principal benefit sought to be achieved is the continuation



of the Corporate Debtor's occupation and operation from the existing premises while, at the same time, substantially altering or extinguishing liabilities arising from such occupation. The Resolution Plan is therefore not merely a proposal for revival of the Corporate Debtor but is intrinsically linked to the unresolved disputes concerning the leasehold premises and the liabilities arising therefrom. This aspect assumes significance particularly when the landlord has consistently opposed continuation of the lease arrangement and has sought recovery of possession through appropriate legal proceedings.

71. The financial position reflected in the records also indicates that the admitted dues of Dhanlaxmi Bank Limited are relatively modest in comparison to the scale of the operations presently being carried on by the Corporate Debtor. The hospital continues to function as a going concern and there is nothing on record to indicate any immediate cessation of its activities. In such circumstances, the present Resolution Plan appears less as a mechanism for rescuing a financially distressed enterprise and more as an attempt to resolve disputed liabilities and secure continued occupation of the premises through the insolvency resolution framework. Such an objective, in the facts of the present case, cannot by itself justify approval of a Resolution Plan whose implementation remains fundamentally contingent upon uncertain events and unresolved disputes.
72. At this stage, it is necessary to examine the circumstances which led to the initiation of the Corporate Insolvency Resolution Process. The Corporate Insolvency Resolution Process was commenced on an application filed under Section 7 of the Code by Dr. Ayyappan Nair Raghavan Pillai, the erstwhile



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Managing Director and shareholder of the Corporate Debtor. Thus, the insolvency proceedings were initiated by a person who was himself was the part of the Corporate Debtor and who claims to be one of its creditors.

73. It is evident from the records of the Section 7 proceedings that Dr. Ayyappan Nair Raghavan Pillai had advanced certain sums to the Corporate Debtor from time to time commencing from the year 2014. Subsequently, a Board Resolution was passed in the year 2015 providing for repayment of the said amounts together with interest at the rate of 12% per annum. The financial statements and balance sheet produced along with the Section 7 application indicate that the amounts were advanced over a period of time and repayments were also effected on various occasions, resulting in corresponding reductions in the principal outstanding. The relevant part from the financial statement year ending 31.03.2023 is as follows:

11. DEPOSITS

The Company has neither accepted nor renewed any Deposits during the year under review. The unsecured loan from Directors as on 31.03.2023 is ₹.1,53,07,600/- as stated in Note 5 of the financial statements.

Sl No.	Name of the Director	Amount at the beginning of the year (₹.)	Amount received during the year (₹.)	Amount repaid during the year (₹.)	Amount at the end of the year (₹.)
1.	Dr. Ayyappan Nair	1,52,61,000	-	25,00,000	1,27,61,000
2.	Rahul S Kumar	3,45,000	-	-	3,45,000
3.	Satish G Pillai	15,00,100	-	-	15,00,100
4.	KCS Nair	6,47,500	-	-	6,47,500
5.	Vijaya Mohan	54,000	-	-	54,000
	Total	1,78,07,600		25,00,000	1,53,07,600

74. Before proceeding further, it is necessary to examine the averments made in the original application filed under Section 7 of the Insolvency and Bankruptcy Code, 2016, on the basis of which the Corporate Insolvency Resolution Process was initiated against the Corporate Debtor. The relevant extracts are reproduced below:



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10. That, the Corporate Debtor from 25th June, 2022 had started repaying towards the principal amount without providing the interest, despite request from the Applicant. A table depicting the repayment schedule of the Corporate Debtor to the Financial Creditor is as under:

Sl No.	Date	Amount (in INR)
1.	25.06.2022	5,00,000
2.	09.08.2022	3,00,000
3.	30.08.2022	2,00,000
4.	06.02.2023	5,00,000
5.	14.03.2023	5,00,000
6.	30.03.2023	5,00,000
7.	20.05.2023	5,00,000
8.	26.07.2023	5,00,000
	TOTAL	35,00,000/-

75. The contingent liabilities disclosed in the Annual Report and Financial Statements of the Corporate Debtor are reproduced below:

23 CONTINGENT LIABILITY

23.1 Company has entered in to lease hospital operates) for monthly rent of petition before Rent Control Court on 01.11.2012 to put landlord in vacant possession of the said building and court had decreed accordingly against the company dismissing company's daim of permanent tenancy. Appeal filed by the company against sald order before Additional Rent Control Appellate Authority II, Thiruvananthapuram also dismissed by the authority confirming the order of RCC. Against the judgement, the company filed an appeal before Hon'ble High Court of Kerala on 02.09.2014 and the Hon'ble High Court also decreed that rent arrears should be cleared to avoid eviction and then the company finally settled the issue by paying the rent. A law suit RCP 15/2016 dated 25/01/2016 In the same lines was again filed against the company before the Rent Control Court, Thiruvananthapuram, by the landlord for realizing the rent arrears. The landlord also filed IA.NO. 7799/2016 u/s 12 of the Rent Control Act on 10/08/2016 for realizing the admitted rent in the sald RCP 15/2016. The Rent Control Court, Thiruvananthapuram allowed IA. No. 7799/2016 and ordered to pay the admitted rent. Against this the company filed IA 1287/2017 dated 27/02/2017 seeking sufficient time to deposit the rent arrears before the Rent Control Court, Thiruvananthapuram and the court dismissed the same on



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IA (IBC)(Plan)/06/KOB/2025 IN CP (IB)/22/KOB/2024
In re M/s. Attukal Devi Institute of Medical Sciences Limited

27/02/2017 itself by ordering eviction. Against this the company filed appeal RCA. 25/2017 dated 29/06/2017 and RCA. 29/2017 dated 12/07/2017 before the Hon'ble District Court, Thiruvananthapuram and also filed stay petition IA.No.296/2018 seeking stay for the eviction order and the court allowed the same and stayed the eviction order on 27/09/2018 upon deposit of 60% of the admitted rent for 61 months (August, 2013 to August, 2018) and the stay order was effective till the final disposal of RCA. 26/2017 and RCA. 29/2017. The said RCA 26/2017 and RCA 29/2017 were heard and disposed by the District Court Thiruvananthapuram on 16/12/2019. Being very much aggrieved by the said decision, the company preferred RC(Rev) No. 177/2020 before the Hon'ble High Court of Kerala. The said Revision Petition has been allowed on 11/01/2021 after setting aside the orders passed by the Rent Control Court, Thiruvananthapuram and the Appellate Court, Thiruvananthapuram with a direction to deposit 54,16,755/- and to remit 1,44,833/- on or before 10th day of each month till the final disposal of RCP 15/2016. In compliance of the said direction, the company has remitted (54,16,755/- and also remitted/provided 1,44,833/- for the month of December, 2020 to March, 2021 before the Hon'ble Rent Control Court, Thiruvananthapuram during the financial year 2020-21. During the financial year 2021-22 the company has remitted/provided admitted rent of ₹ 1,44,833/- per month as against the amount 67,45,912/- as per the agreement with the lessor. RCP 15/2016 filed by landlord against the Company for eviction under section 11(2)(b) of The Kerala Buildings (Lease and Rent Control) Act, 1965, has been decided in favour of the landlord by the Hon'ble Rent Control Court on 14-07-2022 and has directed the company to give vacant possession of the petition schedule building to the petitioner trust (Landlord) within 2 months from the date of the order. The Company filed appeal against the said order on 14-07-2022 and the case is pending before the Rent Appellate Court, Thiruvananthapuram. agreement with Attukal Bhagavathy Temple Trust on 10.10.2008 for occupying 32185 sq ft building (on which the 3,21,850 with provision for 7% Increase in basic rent payable every year after first 3 years. The lessor has filed a

23.2 One of the suppliers/creditors M/s Sri Ram Associates, No.39/3218, Pallyam Road, Ernakulam, Cochin 682016 obtained an Ex Parte decree from Hon'ble Court of the Munssif's Ernakulam on 16-08-2016 for an amount of ₹ 4,95,310/- and the said court by order dated 28-01-2017, directed Dhanlaxmi Bank Ltd, Manacad, Trivandrum (Guarnishee) that they are prohibited and restrained until the further order of the said court from making payment of the debt or any part thereof, payable to the company, to any person whom so ever or otherwise than into the Hon'ble Court of Munssif's, Ernakulam. On 13th Day of February, 2017, Dr. D M Vasudevan the Managing Director of the company filed an affidavit for condonation of delay and setting aside the Ex Parte decree. The same has been set aside and now the court decreed on 16/02/2019 to realize 4,09,374/-, 12% interest p.a for ₹3,07,800/- from 27/02/2015 to 16/02/2019 and 6% Interest p.a for ₹3,07,800/- from 17/02/2019 till realization. The certified copy of O.S 290/2015 received on 03/07/2019. The



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company is now planning to file appeal without any delay and hence no provision has been made for the same in the accounts as the Board is confident of the favourable outcome of the appeal.

23.3 One of the suppliers/creditors Veenus Medical Technologies, 43/2575-C, Pallyssery Road, Thammanam, Kochi, filed a case before the Hon'ble Court of Munsifs, Ernakulam O.S No. 1335/2017 for an amount of ₹1,40,000/- and the case now stands decreed ex-parte on 17/07/2019 for ₹1,40,000/-with 9% p.a Interest till 17/07/2019 and thereafter 6% tiil realization. The certified copy of the order is received on 12/12/2019 and the company is now planning to prefer appeal and hence no provision for the same is made in the accounts.

23.4 One of the suppliers/creditors M/s. Ananda Surgicals, Ananda Chambers, TC No. 1/1540(2), Pazhaya Road, Medical College P.O, Trivandrum filed a civil suit O.S.No. 1370/2018 against the company and Its Chairman and Managing Director as first and second defendants before the First Additional Munciff Court, Thiruvananthapuram to realize a sum of 13,39,763/- with 12% interest p.a from the date of suit till Its realization. Since it is a money matter, the Hon'ble Court send the said suit for mediation and settlement on 22/07/2019. The the Hon'ble Court posted the case to 22-09-2022 for framing issues. The company admits the claim of the plaintiff and agreed to pay an amount of Rs.4,06,800 by three equal Instalments. First Instalment Rs.1,35,600/- Is paid by way of Cheque No.479156 dated 12-07-2023 drawn on Dhanlaxmi Bank, Manacaud Branch Trivandrum and two post dated cheques of Rs.1,35,600/- each by way cheque numbers 479157 dated 12-08-2023 and 479158 dated 12-09-2023 drawn on Dhanlaxmi Bank, Manacaud Branch, Trivandrum. The sult may be decreed as per the compromise on 11-07-2023. No provision for the same is made in the accounts

23.5 The company has availed Bank guarantee facility (BG No. 118 BG 01082080004) from Dhanlaxmi Bank Manacaud branch, Trivandrum for 0.05 lakhs. The BG claim expiry date is 24-07-2023.

76. From the financial statements and the averments extracted hereinabove, it is evident that the amounts advanced by Dr. Ayyappan Nair Raghavan Pillai were periodically repaid by the Corporate Debtor, and such repayments were consistently adjusted towards the principal amount outstanding. It is also significant that while the Corporate Debtor had specifically disclosed various disputed claims, litigations, rent arrears, decretal amounts, and other contingent liabilities in its financial statements, no disclosure whatsoever was made regarding any outstanding interest liability, disputed interest



claim, or contingent obligation in favour of Dr. Ayyappan Nair Raghavan Pillai in the balance sheet as on 31.03.2023, although the alleged resolution providing for payment of interest had been passed as early as in the year 2015. Had the alleged interest component been treated as a genuine and subsisting liability of the Corporate Debtor, the same would ordinarily have found place either as a liability in the accounts or at least by way of disclosure under contingent liabilities. The status of contingent liability in the balance sheet of the year ending 31.03.2023 speaks volumes about the veracity of the alleged resolution about payment of interest to Dr. Ayyappan Nair Raghavan Pillai.

77. It appears that the pleadings reproduced from the Section 7 petition (*supra*) have been consciously crafted to address probable objections and to align with the financial statements of the Corporate Debtor. However, apart from the board resolution, there is no contemporaneous material placed on record to demonstrate that the amounts advanced were treated and demanded as a commercial loan carrying consideration for the time value of money. Further, the petitioner in the Section 7 petition has failed to place on record any demand notice or contemporaneous communication issued to the Corporate Debtor at the relevant time seeking repayment of either the alleged principal amount or the interest claimed in respect of the alleged loan.
78. The records further indicate that the amounts advanced by Dr. Ayyappan Nair Raghavan Pillai were made while he was in control and management of the Corporate Debtor as its Managing Director. The subsequent stipulation regarding payment of interest appears to have been introduced through a board resolution passed after the advances had already been made. In the facts and circumstances of the present case, the element of consideration for



the time value of money, which is the distinguishing feature of a financial debt under the Code, does not appear to have been demonstrated with the degree of certainty ordinarily expected. Prima facie, the advances appear to bear the characteristics of financial support extended by a promoter or person in management to sustain the operations of the Corporate Debtor rather than a conventional lending transaction entered into on commercial terms. The claim for interest, viewed in the overall factual matrix, appears to be an afterthought introduced subsequently so as to impart the colour of a financial debt to what was otherwise financial assistance extended to the Corporate Debtor.

79. In isolation, if we look at the individual facts and ingredients, there would hardly be any inconsistency or reason to doubt the intent behind the insolvency process. However, if we minutely analyse the entire facts and circumstances of the case, one can clearly see how the petitioners in the Section 7 petition, the Board of Directors of the Corporate Debtor, and other interested persons have beautifully crafted a design with a view to misusing the process of the Insolvency and Bankruptcy Code, 2016.
80. The circumstances, when viewed holistically, create an impression that the insolvency framework has been employed not primarily for the resolution of insolvency in the manner contemplated by the Code, but as a mechanism to secure advantages in relation to pre-existing disputes and liabilities.
81. Recently, the Hon'ble Supreme Court of India in ***Anjani Technoplast Ltd. v. Shubh Gautam, (2026) ibclaw.in 209 SC***, held that a petitioner cannot be permitted to use the Insolvency and Bankruptcy Code, 2016, mechanism as a recovery process or to invoke the insolvency process as a substitute for enforcing or overcoming contractual obligations. The relevant portion of the



judgment is reproduced hereunder:

19. The legislative object of the IBC is well settled and requires no extended elaboration. The Code was enacted to provide for the reorganisation and insolvency resolution of corporate persons in a time-bound manner for the maximisation of the value of assets. It is not a debt recovery legislation. This Court has held so in clear and express terms on more than one occasion. In Swiss Ribbons (P) Ltd. v. Union of India, while upholding the constitutional validity of the IBC, this Court explained the nature and object of the Code in paragraph 28 as follows:

“28. It can thus be seen that the primary focus of the legislation is to ensure revival and continuation of the corporate debtor by protecting the corporate debtor from its own management and from a corporate death by liquidation. The Code is thus a beneficial legislation which puts the corporate debtor back on its feet, not being a mere recovery legislation for creditors. The interests of the corporate debtor have, therefore, been bifurcated and separated from that of its promoters/those who are in management...”

The above referred passage identifies the essential character of the IBC, whose purpose is the rescue and revival of the corporate debtor as a going concern. It is not a proceeding for the benefit of individual creditors seeking to recover their dues. The moratorium under Section 14 operates in the interest of the corporate debtor itself. The resolution process is not intended to be adversarial toward the corporate debtor but rather to be protective of its interests.

20. The same principle was affirmed by this Court in Pioneer Urban Land and Infrastructure Ltd. v. Union of India [(2019) ibclaw.in 13 SC]5, where a three-Judge bench made it clear that the IBC is not a forum for individual creditors to realise their dues through the back door of insolvency. The moment a Section 7 petition is admitted, the process moves entirely beyond the control of the petitioning creditor and operates for the collective benefit of all stakeholders. The insolvency mechanism cannot, therefore, be pressed into service as a substitute for ordinary execution or recovery proceedings.

21. In another instance, a three-Judge Bench of this Court in GLAS Trust Co. LLC v. BYJU Raveendran [(2024) ibclaw.in 275 SC]6, consolidated the position in paragraph 39.3 in the following terms:

“39.3. IBC must not be used as a tool for coercion and debt recovery by individual creditors. Improper use of the IBC mechanism by a creditor includes using insolvency as a substitute for debt enforcement or attempting to obtain preferential payments by coercing the debtor using insolvency proceedings. That the mechanism under the IBC must not be used as a money recovery mechanism has been reiterated in a consistent line of precedent by this Court.”
This statement of the law is directly applicable to the present case. The respondent, holding a final decree and having the full machinery of civil execution at his disposal, chose instead to invoke the insolvency jurisdiction. Such conduct is precisely what this Court in GLAS Trust (supra) has characterised as an improper use of the IBC using insolvency as a substitute for debt enforcement and as a means of coercing the corporate debtor into



payment.

22. This Court had occasion to state the same principle with equal clarity in *Tottempudi Salalith v. State Bank of India [(2023) ibclaw.in 123 SC]*, while dealing with the interplay between proceedings before the Debt Recovery Tribunal and the initiation of CIRP under the IBC, held as follows:

“21. IBC itself is not really a debt recovery mechanism but a mechanism for revival of a company fallen in debt, but the procedure envisaged in IBC substantially relates to ensuring recovery of debts in the process of applying such mechanism. The question of election between the fora for enforcement of debt under the 1993 Act and initiation of CIRP under IBC arises only after a recovery certificate is issued. The reliefs under the two statutes are different and once CIRP results in declaration of moratorium, the enforcement mechanism under the 1993 Act or the SARFAESI Act gets suspended. In such circumstances, after issue of recovery certificate, the financial creditor ought to have option for enforcing recovery through a new forum instead of sticking on to the mechanism through which recovery certificate was issued.”

(emphasis supplied)

23. The distinction drawn above by this Court is important and bears emphasis. While the IBC incidentally results in the satisfaction of creditors' claims, that consequence is a byproduct of the resolution process and not its primary object. The object is the revival of the corporate debtor as a going concern. It follows that a creditor who approaches the NCLT not with any genuine concern for the resolution of the corporate debtor but purely to secure payment of his individual dues is acting contrary to the purpose and spirit of the Code. The existence of adequate and efficacious alternative remedies makes such misuse all the more apparent.

24. Lastly, Section 65 of the IBC provides that if any person initiates the insolvency resolution process fraudulently or with malicious intent for any purpose other than the resolution of insolvency, the Adjudicating Authority may impose a penalty. The presence of this provision in the statute itself underscores the legislative intent that the IBC is not to be misused as a tool for recovery or as a lever to coerce payment.

82. With due respect, this Adjudicating Authority intends to add that the Insolvency and Bankruptcy Code, 2016 cannot be used to ward off legitimate dues and recovery claims of third parties, nor can it be employed as a tool against creditors so as to make recovery of their lawful dues impossible. The provisions of the Code can be invoked only where the petitioner genuinely seeks resolution of the Corporate Debtor with a view to maximising value and preserving the time value of money.



83. Significantly, while the contingent liabilities and disputed obligations towards the landlord and other creditors have been specifically disclosed in the financial statements of the Corporate Debtor, there is no corresponding disclosure regarding any accrued, payable, or disputed interest liability in favour of Dr. Ayyappan Nair Raghavan Pillai. The Petitioner in the Section 7 petition himself has averred that the Corporate Debtor had commenced repayment of the principal amount from 25.06.2022 and that his grievance was essentially confined to the non-payment of interest. The absence of any disclosure regarding such alleged interest liability in the financial statements, coupled with the admitted repayment of the principal amount, casts doubt on the true nature of the transaction. This assumes significance because the claim has been projected as a financial debt primarily on the basis that interest was allegedly payable, thereby satisfying the requirement of consideration for the time value of money.
84. The Hon'ble Supreme Court in ***M/s Radha Exports (India) Pvt. Ltd. v. K.P. Jayaram & Anr., (2020) ibclaw.in 19 SC***, while interpreting Section 5(8) of the Code, observed as follows:
- “43. The definition of ‘financial debt’ in Section 5(8) makes it clear that ‘financial debt’ means a debt along with interest, if any, disbursed against the consideration for time value of money and would include money raised or borrowed against the payment of interest...”*
85. The aforesaid judgment reiterates that the essential ingredient of a financial debt is the disbursement of money against consideration for the time value of money. Mere advancement of funds, without the commercial characteristics of borrowing or without a genuine arrangement demonstrating consideration for the time value of money, would not by itself satisfy the requirements of Section 5(8) of the Code.



86. In the facts of the present case, the materials on record prima facie indicate that the advances were made by the promoter-director to the Corporate Debtor over a period of time when he was in management and control of the Corporate Debtor. Significantly, despite the detailed disclosure of contingent liabilities and disputed claims in the financial statements of the Corporate Debtor, no accrued or outstanding interest liability in favour of Dr. Ayyappan Nair Raghavan Pillai finds mention therein. Even in the Section 7 application, it is specifically pleaded that the Corporate Debtor had commenced repayment of the principal amounts and that the grievance was essentially regarding non-payment of interest. These circumstances, read together, prima facie suggest that the stipulation regarding interest did not constitute a consistently acknowledged liability of the Corporate Debtor and appears to have been relied upon subsequently to bring the transaction within the ambit of a "financial debt" under Section 5(8) of the Code by attempting to satisfy the requirement of consideration for the time value of money. While this Adjudicating Authority is not called upon to revisit the admission order, the aforesaid circumstances assume relevance while examining the overall bona fides and commercial substance of the Resolution Plan presently under consideration.
87. A careful examination of the materials that formed the basis of admission of the application under Section 7 of the Code reveals that, at the stage of admission, this Adjudicating Authority proceeded on the basis of the pleadings, financial statements, and documents then available on record. On the strength of such materials, a prima facie satisfaction regarding the existence of a financial debt and default was recorded and the Corporate Insolvency Resolution Process was accordingly commenced. However, it is



only during the course of the Corporate Insolvency Resolution Process, upon collation and verification of claims by the Resolution Professional and upon the complete financial position of the Corporate Debtor being brought on record, that a clearer picture of the actual liabilities and stakeholder composition of the Corporate Debtor emerged.

88. The surrounding circumstances assume significance while examining the Resolution Plan presently under consideration, particularly when the Plan substantially benefits persons connected with the erstwhile management and seeks to perpetuate the control and operation of the Corporate Debtor through arrangements that remain contingent upon unresolved disputes relating to the leasehold premises from which the hospital is functioning.
89. Upon an overall consideration of the facts and circumstances of the case, this Adjudicating Authority cannot lose sight of the peculiar background in which the Corporate Insolvency Resolution Process came to be initiated, and the Resolution Plan has been proposed. The Corporate Insolvency Resolution Process was commenced at the instance of the erstwhile Managing Director, Dr. Ayyappan Nair Raghavan Pillai, who is also a substantial creditor of the Corporate Debtor. The records further reveal that he had himself submitted a Resolution Plan during the Corporate Insolvency Resolution Process, which was not approved by the Committee of Creditors.
90. The material available on record demonstrates that the principal dispute affecting the Corporate Debtor relates to the leasehold premises from which the hospital is presently functioning and the consequential claims raised by the landlord. The litigation concerning arrears of rent and eviction is already pending before the competent forums, and the rights of the parties are yet to attain finality.



91. Apart from the aforesaid dispute, the liabilities of the secured creditor, namely Dhanlaxmi Bank, and the operational creditors are comparatively limited in nature. The records further indicate that the Corporate Debtor continues to operate the hospital as a going concern and is generating regular revenue from its business activities.
92. It is also evident from the materials on record that the hospital remains operational, a substantial number of employees continue to be engaged in its activities, and there is nothing to indicate that the Corporate Debtor has ceased its business operations or has become commercially unviable. On the contrary, the business is continuing and generating income.
93. In such circumstances, this Adjudicating Authority is of the considered view that the liabilities of the secured creditor and the operational creditors can be serviced from the ongoing operations of the Corporate Debtor in the ordinary course of business. The continuance of the Corporate Insolvency Resolution Process is therefore not necessary for protecting the interests of such stakeholders.
94. Having regard to the peculiar facts and circumstances of the case, the nature of the liabilities involved, the continuing operations of the Corporate Debtor, the interests of the employees and other creditors, and the fact that the Corporate Debtor continues to function as a going concern generating regular revenue, this Adjudicating Authority is of the considered opinion that the continuation of the Corporate Insolvency Resolution Process would not serve the objectives of the Insolvency and Bankruptcy Code, 2016. Rather, the interests of all stakeholders, including the Corporate Debtor, its employees, creditors, and other concerned parties, would be better served by permitting the Corporate Debtor to continue its operations in the ordinary course and



address its liabilities through its ongoing business activities.

95. From the facts of the present case, it clearly emerges that the entire insolvency proceeding appears to have been structured primarily to deal with and substantially reduce or extinguish the liabilities owed to the operational creditor, namely the landlord, whose claim constitutes the major portion of the admitted dues. The Corporate Debtor continues to run a functioning hospital from the premises owned by the landlord, despite long-standing disputes relating to rent arrears and eviction, and despite the landlord consistently opposing continuation of the lease. At the same time, the financial creditor who holds 100% voting in the CoC has a comparatively negligible claim, and the Resolution Plan itself is built on the assumption that the Corporate Debtor can continue to occupy the premises without resolving the landlord's rights. In effect, the process appears to have been used as a mechanism to retain possession of the property and avoid or dilute the substantial dues payable to the landlord and other operational creditors, rather than for genuine insolvency resolution. Such use of the insolvency framework, in the facts of this case, does not align with the true object of the Insolvency and Bankruptcy Code, 2016. Having regard to the overall facts and circumstances discussed hereinabove, this Adjudicating Authority does not find any merit in approving the Resolution Plan. Equally, no justifiable reason exists to continue the Corporate Insolvency Resolution Process or to drive the Corporate Debtor into liquidation proceedings, particularly when the very foundation and continuation of the insolvency process, in the peculiar facts of the present case, do not serve the objectives of the Code.
96. This Adjudicating Authority is conscious that, in the ordinary course, the peculiar circumstances noticed in the present matter may warrant recourse



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to other statutory provisions and procedures available under the Insolvency and Bankruptcy Code, 2016, for examining the validity of the initiation of CIRP and the consequences arising therefrom. However, adoption of such a course at this stage would prolong proceedings and would be against the interests of the stakeholders and the Corporate Debtor itself. Therefore, in order to secure the ends of justice, prevent abuse of the process of law, and preserve the Corporate Debtor as a going concern, this Adjudicating Authority deems it appropriate to invoke its inherent powers under Rule 11 of the National Company Law Tribunal Rules, 2016, read with Section 60(5)(c) of the Insolvency and Bankruptcy Code, 2016. Accordingly, for the reasons recorded hereinabove, and consequently, the order of admission dated 27.09.2024 admitting Attukal Devi Institute of Medical Sciences Limited into the Corporate Insolvency Resolution Process is terminated with immediate effect and Corporate Insolvency Resolution Process stands terminated forthwith. Consequently, the moratorium declared under Section 14 of the Code shall stand withdrawn. The Resolution Professional shall hand over the management and affairs of the Corporate Debtor to the erstwhile management/suspended Board of Directors within a period of two weeks from the date of this order. The Corporate Debtor shall discharge all CIRP costs, including the fees and expenses of the Resolution Professional, if any remain outstanding. The Resolution Professional stands discharged from further conduct of the CIRP, subject to filing final accounts, statement of CIRP costs, and such compliance reports as may be required. All pending applications, if any, shall stand disposed of accordingly, leaving the parties at liberty to pursue their respective rights and remedies before the competent forums in accordance with law.



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97. Accordingly, the Resolution Plan is **rejected**, and **IA (IBC)(Plan)/06/KOB/2025** in CP (IB)/22/KOB/2024 stands **dismissed**. Consequently, **CP (IB)/22/KOB/2024** is **disposed of** in terms of this order.
98. The Registry is hereby directed to send e-mail copies of the order forthwith to all the parties: Committee of Creditors, Resolution Professional, and Successful Resolution Applicant, Petitioner in Section 7 Petition, Corporate Debtor and their Learned Counsels for information and for taking necessary steps. The Applicant is directed to send a copy of this order to the Insolvency and Bankruptcy Board of India and Registrar of Companies, Kerala, and Lakshadweep, for their record.
99. Certified Copy of this order may be issued, if applied for, upon compliance with all requisite formalities.
100. File be consigned to records.

Sd /-

**RAVICHANDRAN RAMASAMY
(MEMBER TECHNICAL)**

Sd /-

**VINAY GOEL
(MEMBER JUDICIAL)**

Signed on this the 25th day of June, 2026

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